Australian Council for Private Education and Training

submission to the

Review of Australian Higher Education

July 2008
Australian Council for Private Education and Training

Higher Education Review
Expert Panel
GPO Box 9880
Canberra ACT 2601

ACPET welcomes this Review of Higher Education in Australia, and the opportunity to contribute an analysis of issues of policy, principle and operational regulation.

ACPET members are concerned that this Review address significant structural inconsistencies and regulatory challenges. The Board and members would be pleased to discuss key issues and proposed approaches further with the Panel.

Established in 1992, ACPET is the national industry association for private providers of post-compulsory education and training. ACPET now represents more than 1,000 organisations nationally delivering a full range of higher and vocational education and training (VET) and English language courses across all States and Territories. Private providers now account for over 9% of Australia’s higher education EFTSL.¹

Development of this submission has involved interviews with a cross-section of members now providing higher programs.² Extracts of discussions are included at points in this documents. These are presented as quotations to impart the colour of experiences and concerns, as well as views on potential solutions. Most are informal and marked HEP; some are from published materials.

Evidence provided to back ACPET’s discussion of policy frameworks, regulations and practices, includes extracts from policy statements, reports and papers.

In Part A of this submission ACPET discusses and provides propositions regarding overarching principles, then responses to questions on functions and characteristics.

The broader context to this Review is important. The Terms of Reference position this exercise as part of the Government’s productivity agenda. The Prime Minister stresses “the new Australian Government is committed to renewing the … economic reform project”.³ Reform directions that opened Australia’s economy are being reinforced, including competition policy, streamlining regulation, and commercial provision of traditionally public activities to achieve efficiencies and responsiveness.

Part B [B.1-B.9] follows the flow of the Discussion Paper. ACPET has reframed some questions where the orientation was strongly university to provide a logic to ACPET’s tabling of concerns with current arrangements and proposals for change.

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¹ An arms-length estimation of private higher education provision, cross-checked by ACPET, conservatively indicates that of a national higher education EFTSL (equivalent full time student load) near 340,000, private providers are educating more than 37,000 EFTSL, or over 9% of students as EFTSL in recent years.
### Key Points and Recommendations

#### Part A. Higher Education Review context – and open, active economy

**A.1 Policy and Reform framework**
- **Productivity objectives and the reform directions to open Australia’s economy, including private sector provision, competition policy and reducing regulation, are vital context to this Higher Education Review.** ACPET assesses that -
  - Recent developments including FEE-HELP and the National Protocols align broadly with national policy directions, however education policy structures and rules have evolved less than in other sectors competing in world marketplaces.
  - There are few indicators of the ‘minimum effective regulation’ touchstone of a modern regulation system. Provider registration and course accreditation involves duplicative rules through costly processes with command and control features.
  - Public universities stand aside from blocks of current regulation. While universities are an historical national investment, there is no policy argument for public entities to be given priority, special treatment or advantage as tertiary education providers.
  - Australia cannot afford the direct and indirect costs of artificial structures or barriers to innovation and enterprise in education. Such costs can arise through unquestioned traditions, unclear purposes, outmoded protections or regulations, or practices not up to speed with technologies or what communities or marketplaces expect.

**A.2 One effective Australian Higher Education System**
- **ACPET recommends a single Australian Higher Education System with an integrated continuum of functions, qualifications and providers, and streamlined administration – operating by 2011:**
  - Australia needs a ‘fit-for-purpose’ qualification and quality system structured around student and provider performance. With more complex life, work and productivity challenges, this review should not perpetuate old barriers to individuals or employers attaining learning objectives and useful qualifications. Barriers to innovation and enterprise by any type of provider should be removed.
  - Most Australians see post-school education as ‘higher’. There appears no reason against Australia steering all formal post-school education through one efficient, effective, modern Higher Education system in place of multiple ‘sectors’, to deliver a matrix of qualifications responding to evolving stakeholder needs.

**A.3 Characteristics of higher education providers – diversity and results**
- **ACPET considers delineation of characteristics and expectations of an Australian higher education system is useful, however ACPET recommends -**
  - It be made clear that 1.3 sets expectations of the whole of higher education, by adding after ‘system’, the words ‘to be attained through a diverse set of high performing, globally-focused institutions’.
  - It be noted that various Australian universities would fall short of aspects of points 1-7 if these were applied as entry tests for each current or potential higher education provider.
  - That to recognise emerging diversity, and to encourage innovation, enterprise and public and private investments within a single higher education system, section 1.3 point 8 needs to be reworded as:
    ... Australia’s higher education system needs to be 8. Open and inclusive, with rules to ensure all organisation types can attract resources commensurate with their performance in student learning and skills development, and their potential to contribute to 1-7.
ACPET identifies three major impediments to innovation in developing courses and programs. The biggest is the historical ‘dual-sector’ VTE-HE division.

- Developing a single Australian Higher Education system [A.2] without VET and HE sector divisions would be a challenging exercise. This should not deter the Panel from recommending such an important reform. The goal should be to meet Australia’s socio-economic needs looking forward, rather than securing sectors or institutions.

- The Australian Qualifications Framework (AQF) gives a platform for a single system. The AQF provides a qualifications and outcome capacities framework that should enable tailored course development. Aspects of training packages would be useful at all levels. For ‘upgrading skills or retraining’ (vocational terms used by the Panel through the DP) features of current VET programs should add value across all post-school education.

- ACPET is looking to be closely involved in addressing this major impediment to higher education innovation. The challenge will be securing jurisdictional, cultural and technical shifts in thinking.

A second, substantial impediment for non-universities is regulatory overload.

- Current processes slow the efforts of established providers to respond to changing student, work and industry needs. The regulations also operate as barriers to entry or expansion – a concern for the economy as a whole.

- Issues with the regulatory regimes for registration of provider organisations and accreditation of courses are discussed through this, particularly in B.9.

The further issue is the current allocation of government funding for post-school education – both for students and for innovation and for development of new paths.

Current mechanisms for ensuring HE meets demand for high level skills and for aligning supply and demand of graduates are of limited by artificial structures.

- ACPET considers a more powerful approach is to ensure education opportunities are as widely available throughout the population as the economy can afford.

ACPET recommends that student-centred funding models be seriously examined in this 2008 Review. Governmental support to students to enhance their learning in response to personal attributes and reading of marketplace signals, should not be limited by provider. Indicators of need for reform of education provision linked to student choice include:

- Productivity, economic and education policy directions, plus the need for innovative action in response to market signals within a single Australian Higher Education System

- That a range of HE providers are now established, and students warrant choice to suit their multiple needs, and equivalent support whatever provider they select. [also B.8]

ACPET discusses the Panel questions of good or poor practices, and ability to react to skill demands particularly from demographic change and adult upskilling needs.

- Enterprise providers are student-focused and should be able to run ‘fast response’ businesses to meet skill development needs including for generic capacities, and skills shortages. *Most say they would, if they could operate on a ‘level playing field’.*

- Structures and regulatory practices inhibiting initiative and innovation are illustrated.
ACPET supports paths being opened, including by addressing living assistance issues, for less-advantaged persons to advance their education. The particular interests and teaching and support needs of this group must be considered.

- There are challenges in achieving equivalent learning outcomes for student outside university mainstreams. These include less prepared students, adults wanting to upskill through flexible mixes and delivery, or English-as-second language speakers.

- A single Australian higher education system, without artificial barriers to course structures and types of providers, should assist addressing needs of these individuals, their potential employers, and the national economy.

- Different teaching structures, especially the smaller class sizes and closer tutoring and support, are a feature of many private education providers. These are positioned to contribute to national programs to enhance skills and capacities.

- Increased costs for special attention to achieve optimum learning outcomes, should be recognised in student and provider funding arrangements [also B.8].

Education must be the primary purpose of universities – as for all higher education providers. This primary purpose needs to be squarely recognised in this Review, and success in achieving this purpose needs to be adjudicated objectively taking into account factors such as incoming student capacity.

- Monitoring and measuring needs to be considered against the performance tests in the ToR. These include enhancing contribution to national productivity, increased work participation, responding to needs of industry, and supporting and widening access to higher education. These tests could be a basis for ascertaining the value achieved by public investment in education through support to students, or any type of provider.

ACPET members are concerned and willing to be involved in any development of meaningful monitoring and measuring techniques, and in how these would be used responsibly in lifting education outcomes, in benchmarking, and in institutional promotion. ACPET considers:

- assessment should be of entity, or sub-entity, performance, based on outcomes in terms of student advance on multiple criteria through stages of their education

- assumptions about providers should be avoided – including that universities as a whole, or in parts, are quality providers, whereas others are variable.

- the Australian higher education system would encourage innovation in teaching and service models by moving away from checking inputs and towards assessing outcomes.
The focus of student programs and performance in delivery are keys to diversity.

- In a single Australian Higher Education system, providers should not be differentiated on basis of their business model or commerciality. Public universities are now basically commercial entities. The regulatory framework needs revision to remove anti-competitive protections on any provider.

- Regulatory and funding arrangements should be revised to enable market signals to finetune all aspects of higher education operations within a national system framework. A single effective system in 2015 might feature less public universities and a wider range of private providers.

Developing a single Australian higher education system should remove the issue of lack of ‘movement of students across sectors’ in institutional and jurisdictional terms. Issues around structured qualifications would need to be addressed as a single system is developed. The AQF provides a firm working base for the qualifications dimension of a single system.

**ACPET sees lateral thinking on infrastructure as important in a single HE system, including a national knowledge library equally accessible by all students in Australia.**

**B.5 Higher Education – Innovation – Knowledge – Research**

- explained pages 32-34
- relates to Discussion Paper 3.5 questions 19 to 21.

Embedded views about research and universities could be costing Australia’s economy and innovation system too much. This 2008 Review needs to come to grips with the education-research nexus and with associated regulations.

- A set of realities call into question the cost and merit of Australia placing of research – as distinct from scholarship - as intrinsic to a university’s educational purpose.

- In globally focussed higher education institutions, courses and teaching should be informed through scholarship, by the Era’s A* and A of world and Australian research.

- A measure of ‘excellence in and application of scholarship’ would be a more relevant and honest Australian test for university status.

- Australia is also doing itself a disservice by setting up barriers to innovative education providers entering the university field, with scholarship to the fore.

**ACPET recommends the Panel examine use of ‘coursework informed by global scholarship’ as a realistic modern test of a university’s educational purpose and that:**

- Such an investigation consider costs added by the research nexus, and whether returns to Australia’s economy, and to students through teaching, are commensurate.

- Elements of the National Protocols be reformulated to use strength of scholarship and its application as a test for ‘specialist universities’ and ‘university colleges’. ‘University college’ should be stand-alone title, i.e., not a transitional form limited to five years.

- A suite of types of institutions be considered under a single Australian Higher Education system but should not perpetuate barriers to innovative development and repositioning.

- Access to Government research or development funding should be open and competitive.

**B.6 Australian higher education and the international arena**

- explained page 35
- relates to Discussion Paper 3.6 questions 22 to 24.

**ACPET members have increased the international focus of their operations and courses over the last decade, reflecting industry and student demand.** Many have been involved in development of programs and pathways for overseas students to study in Australia. Many are ambassadors in the important export education industry

- ACPET recommends attention to the ‘presence’ of Australian higher education on the international stage when shaping a single HE system.

- Application and information requirements by all Government agencies including HESA and ESOS, should be co-ordinated to reduce business time on regulation [B.9].
ACPET members contribute to economic, social and cultural capital in multiple ways as they develop long-term student focussed education businesses.

- ACPET members will continue active engagement with stakeholder communities including industry.
- ACEPT considers Government project funding for wider engagement projects should be open to application by all providers under a single Australian Higher Education System [also B.9].

The Australian Government must balance investment in education, health, defence, welfare and multiple national development demands. Total funding is a matter for Government decision. As a contribution to general considerations, ACPET suggests:

- It is important this Review examine funding models as alternatives to current arrangements – without assuming an overall increase in government inputs.
- While the policy context indicates no special rationale for public bodies being given priority as post-school providers [A.1], Australia has a longstanding investment in public universities that needs to be recognised.
- Public investment should change with socio-economic need, education challenges and other developments. There appears room for efficiencies in public university operations and arrangements [B.4, B.5]. Private entities could provide some useful models.
- Australia needs an effective single Higher Education System, removing sector and public and private divisions, and ensuring innovation is encouraged [A.2, A.3, B.1].
- The single Higher Education System needs to be open, inclusive and administratively simple. Rules need enable all types of providers to attract resources commensurate with their performance in student learning and skills development, and potential to add to the HE system [A.3].

ACPET considers arrangements for resourcing should be better aligned with Australia's open economy, innovation, competition and productivity objectives. Equivalence of support to individual students, including equity needs, is a key issue.

ACPET recommends to this Review and the Government that -

- Student-centred funding models be re-examined. Students should be able to use the Federally funded Student Learning Entitlement, including credits for special needs, at any approved provider. HECS-HELP should also apply. This would require a wider allocation of CSP, or mobility of provider choice.
- Some public funding will need to be directed to publicly owned entities, however, all approved HE providers should be able to access competitive development and program improvement grants, including for teaching and learning advances, for new course development and for opening access.
- Lateral thinking on infrastructure will important in a single HE system. For instance, ensuring a national knowledge library equally accessible by all students in Australia, through a highway such as AARNet.

ACPET supports initiatives to improve living funding support for all students.
Current regulatory structures differentiate significantly between NSAI (non-self accrediting institutions) and the large set of self-accrediting universities. Many ACPET members express high frustration and concern about the costs and ‘red tape’ of current registration (entity) and accreditation (courses) regulations and their implementation in each State, plus Federal approvals (to be a Higher Education Provider) and for provision of services to overseas students (ESOS Act).

To an existing or aspiring NSAI higher education provider, this means:
- each entity is to be registered by a State (5 yearly) for compliance with the National Protocols, then separately approved by Commonwealth as a HEP
- detailed reports annually to State authorities including financials
- an AUQA audit at least five yearly, plus possible compliance audits (HESA 19-80)
- accreditation of each course offering, with re-accreditation five-yearly
- re-registration – repeating whole process – each five years or if there is a ‘major change’ in business arrangements, plus
- State approval for any proposed ‘major change’ in an accredited course
- separate registration of the entity, and accreditation of course delivery elements in any State/s where the provider wants to physically offer the course.

Evidence of issues is provided through a collation of comments from ACPET members in recent interviews under the following headings -
- System objectives, problems and overall regulatory burden
- Need for a performance-based assurance and audit system
- Registration and accreditation processes including timeframes, panels
- Panels and Time - issues around achieving the intent of the Protocols
- Across-jurisdictions - mutual recognition – national accreditation
- Self-Accrediting Institution or ‘university’ criteria and process
- The Australian Qualifications Framework.

ACPET considers that when Governments establish regulations to steer or control business, there is a responsibility to reasonably resource their part of the regime with people and funds. Specific ACPET recommendations on streamlining of registration and accreditation include –

- Where a Panel is appointed for registration or accreditation, the Panel should receive induction in policy, process and regulatory good practice from the government agency.
- For re-registration and re-accreditation, or change approvals, the primary path should be desk inspection using the provider’s application book plus testimonials. The onus should rest with agencies to explain any need for a panel or audits.
- A national accreditation and audit body for the single system may be warranted, but costs / returns to all involved need to be weighed. A single, effective, administratively streamlined HE system is the priority.
- The indicative time period for an application to become a self-accrediting institution (SAI) should be contracted to reflect the pace of changing needs and organisation development in modern times. Continuous operation and delivery of accredited programs for three or more years could be an indicator.

Yes, it is time to reshape tertiary education in Australia and financing and regulation.
Part A. Higher Education Review context - an open, active economy

This Higher Education Review (HER) was announced by Minister Julia Gillard in March 2008 as an element of achieving the Government’s election goal of “an education revolution to create one of the most highly educated and skilled nations on Earth”.

The Terms of Reference (ToR) also confirm that this Review is potentially a key input to the Government securing its ‘overall economic and social policy settings’. Looking forward, Australia needs a ‘broad-based tertiary education system’ that contributes substantially to ‘long term economic development and growth’, by generating innovation and productivity gains, and by producing professional workers aligned with market needs. The HER is to examine the ‘fitness for purpose’ of current systems in meeting these imperatives, then identify options for ongoing reform.

In 2008, Australia has a strong society and a broadly open economy. Australia is effectively operating in many world marketplaces - although there are real and increasing pressures to build skills, national productivity and competitiveness.

As Ross Garnaut highlighted on 5 July, “these are the times that earlier generations of Australians had hoped for their country” when putting in place “internationally oriented market reforms from the 1980s”. Garnaut attributes Australia’s current strength equally to the courage to reverse earlier mistakes by “turning away from protectionism, xenophobia and the bureaucratic trammelling of the market”, and to the Asian economic boom – “an unanchored opportunity” for Australia.

The Prime Minister has recognised the success of opening and internationalising the economy in reinforcing that “our vision is to transform Australia’s competitiveness in the global economy” through “a comprehensive policy reform agenda ... across the entire economy”. The Government is renewing Australian economic reform.

A.1 Policy and reform framework

The Council of Australian Governments (COAG) has reinforced flagging productivity programs at meetings from 2006 into 2008. Various COAG statements acknowledge key regulatory reform directions pursued over the 1980s and 1990s to open the Australian economy to market signals and competitive innovation. These include:

- The shift of a wide range of services and operations from public to commercial sectors to achieve efficiencies and responsiveness. This occurred through Government Business Enterprises, privatisation, and progressively opening fields to competition moderated by associated development of Trade Practices law.
- National Competition Policy (NCP) implemented from 1995 and now an ongoing policy across sectors, including the Competitive Neutrality Principles, plus
- Continuing review and streamlining of industry, sector and business regulation.
The COAG February 2006 Communiqué heralded a new stage of regulation reform:

COAG agreed that effective regulation is essential to ensure markets operate efficiently and fairly, to protect consumers and the environment and to enforce corporate governance standards. However, the benefits from each regulation must not be offset by unduly high compliance and implementation costs ... all governments will establish ... arrangements to maximise the efficiency of new and amended regulation and avoid unnecessary compliance costs and restrictions on competition [and] identify further reforms that enhance regulatory consistency across jurisdictions or reduce duplication and overlap in regulation and in the role and operation of regulatory bodies. COAG 2006

A year later, Opposition leader Kevin Rudd stressed the need for concerted action:

The quantity and complexity of business regulation today is eating away at the entrepreneurial spirit of Australian business. ... enterprise is necessary to drive long-term economic growth, [and] too much of our business community's time, effort and attention is being consumed by glorified compliance agents on behalf of governments, both Federal and State. This is stifling the incentive to take risks and to innovate. It throws sand in the engine of economic growth. Press Club, April 2007

In 2008, Prime Minister Rudd renewed commitment to microeconomic reform as part of securing a successful, open economy with ongoing prosperity and opportunity:

First, if Australia is to maximise its future competitiveness in the global economy, we need the best possible regulatory environment. We need to ‘get the rules right’ so that Australian businesses have wasteful regulation taken off their backs and face appropriate rewards for hard work and enterprise. This means we need to restart the competition policy agenda. We need to press ahead with deregulation. And we need to create an environment that supports risk taking and innovation. Prime Minister speech, 11 May 2008

These key policies and directions overarch the Higher Education Review as evident in various Ministerial statements.

Policy makers now accept that investing wisely in knowledge, skills and innovation is one of the best means available to ensure long-term prosperity, leading to both overall economic growth and to better education and work opportunities. ... The Rudd Labor Government now needs to take up the next reform challenge - that is to inject diversity, choice and the highest quality into our mass higher education system. ... Australia needs a new direction in national higher education policy ... the creation of a globally competitive higher education system for a modern Australia. ... Australia simply can't afford a short-sighted, ideologically-driven and backward-looking approach to higher education policy any longer. Minister Gillard, 13 March 2008

Australia’s policies on economic and social interaction with the world and Asia are also important context to the Higher Education Review. The Asian boom has been a key factor in evolution of Australian educational enterprises over 20 years. The HER Discussion Paper (DP) identifies education export earnings in 2007 were $12.5 billion, the third largest export sector. In 2006, near 25% of students in universities were from overseas, plus those at private and TAFE entities.

The Government is asking its Export Review 2008 to identify measures to promote an improved services export performance. As a vital sector, export education has further growth potential that the Australian economy needs. Export education contributes to local and overseas economies, provides skilled workers through immigration paths and adds multi-cultural and global dimensions to Australian institutions.

Business Council of Australia (BCA) submissions to the Review of Export Policies and Programs 2008 provide evidence. "There are clear economic and social benefits to all countries from greater levels of global economic integration ... For Australia to achieve higher productivity and living standards into the future, it [must] increase the level and effectiveness of our global engagement.” The BCA notes Australia has a lower trade-to-GDP ratio than most OECD countries, a lower rate of growth, and Australia’s share of international services exports has declined since 2000. The BCA sees potential to leverage education activities [www.dfat.gov.au].
A substantial proportion of the export education industry has been developed by private sector enterprises, through innovation, investment and performance, as well as by business arms (as they need to be seen) of universities and TAFEs.

Student-focus is key to success of private education providers. Tailored programs are progressively developed at all education levels to meet particular market calls. For instance, calls for courses closely integrating skills and thinking, or for working as creative individuals not employees, plus attention to a range closer tuition needs.

Private provider development and marketing of tailored programs to serve needs and expectations of overseas students in Australia, has also assisted Australian citizens to access higher qualifications than were open to them in the past.

The private provider segment has grown by offering student-focused learning paths for student clients, despite complex and costly rule regimes criticised by most education groups in Australia. Education regulations are particularly onerous for non-university and commercial providers. This has become more evident as providers move to innovate and respond to partial opening of the system in 2003.

Private higher education provision can now be discussed in real performance terms rather than 'in the abstract'.

[A] number of new institutions [are] being registered to deliver higher education courses; ... NSAI [non-self accrediting institutions] growing by over a third (35%) in the three years from 2005-2007. This growth can be ascribed to a number of factors including; a more clearly defined and facilitative regulatory process; the broadening of government fee support for students ... and consumer demand for specific courses delivered by niche providers in a practical format in a variety of study modes. March 2008

Key changes to the tertiary education policy and regulatory framework include:

The Higher Education Support Act 2003 (HESA) - the current legislation for Australian Government higher education funding - with multiple goals including ‘to support a higher education system that ... is characterised by quality, diversity and equity of access ... [and] appropriate to meet Australia’s social and economic needs for a highly educated and skilled population. DEEWR website July 2008

Extension of FEE-HELP to approved non-university Higher Education Providers (HEP), and the revised October 2007 National Protocols, now operative.

While these changes align broadly with overarching policy directions outlined above, overall policy structures and regulations appear to have evolved less in education than in other industries competing in Australian and world marketplaces.

Yet, innovation and efficiency in education supply must be vital to Australia’s productivity agenda, and will be key to reaching social and economic goals. By addressing structural and regulatory inefficiencies in its own systems, Australia could enhance the capacity and skills development in Australian students as well as potentially increase its competitive advantage in overseas education markets.
The negative impacts of complex regulations on innovation and competitiveness, in any industry, are well recognised (see numerous reports of the Productivity Commission, BCA, Governments, OECD). Further, as the DP points out, the extent of regulation needs to be recognised as including all types of rules and practices:

... any laws or other government 'rules' which influence or control the way people and businesses behave. Under this definition, regulation is not limited to legislation and formal regulations; it also includes 'quasi-regulation' (such as codes of conduct, advisory instruments or notes etc). Regulation Taskforce 2005

Regulation impacting on education providers extends more widely and deeply than the Discussion paper 3.9 indicates. Rules and regulatory actions affect all aspects of education. **ACPET has identified issues of regulatory principle and practice that warrant examination by the Panel under the ToR for this pivotal Review.**

► There are few signs of the 'minimum effective regulation' baseline of a modern regulation system, operating in Australian education areas. Provider registration and course accreditation involves multiple, duplicative rules, and centralised, costly processes structured with command and control features.

► Regulation regimes are not applied in a common way, based on performance as tested on modern criteria, across types of providers or jurisdictions.

► Public universities stand aside from blocks of regulation. While universities are an historical national investment, **there is no special policy argument for public entities to be given priority or advantage in providing tertiary education** in Australia or elsewhere. Rather, there is evidence that the focus, responsiveness and enterprise of private providers are vital to developing population capacities and skills as socio-economic pressures intensify. Such pressures are emerging in Australia, with work more complex and a fast ageing demographic [DP 2.6, 3.1].

► **Australia cannot afford the direct and indirect costs of artificial structures or barriers to innovation and enterprise in education** - as it cannot in other areas. Such inefficiencies can arise through unquestioned traditions, unclear purposes and protections, outmoded types of regulations, and practices not up to speed with the knowledge economy, or what communities or marketplaces expect.

The [uniform] Dawkins model was invented for a world without the Internet ... The policy framework was developed before a vast global trade in students developed. It predates a new generation of American institutions, such as the University of Phoenix, which are unapologetically teaching-only, depending on communications technology and local non-academic staff to deliver programmes at modest cost to students. Eventually this framework will be challenged ... . Glyn Davis, 1 Nov 2004

[Australians] know that the supposed dichotomy between academic and technical education is ultimately a false one. Australians know that high quality advanced technical skills, high quality research and the best analytical thinking must go together to improve the way our businesses operate. And that together this skill and knowledge builds prosperity, more jobs and wealthier households.

*Minister Julia Gillard, 13 Mar 2008*

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12 Modern rulemaking aims to achieve necessary outcomes through 'minimum effective regulation'. COAG Regulatory Reform Plan, April 2007 – Good Regulatory Practice and associated references.
13 The OECD describes 'command and control' as 'coercive and constraining as opposed to incentive based regulation'. The OECD has issued many reports on competition and regulatory impacts on social and economic progress including From Red Tape to Smart Tape: Administrative Simplification in OECD Countries, 2003 and Guiding Principles for Regulatory Quality and Performance, 2005. The OECD monitors Command and Control regulation. Also useful, the UK Better Regulation Task Force, Avoiding Regulatory Creep 2004, plus other reports.
A.2 One effective Australian higher education system

The Panel proposes a statement of functions of higher education in modern Australia, which is derived from views on ‘core functions of a contemporary university’. In this statement, the Panel is holding on to traditional structures that are artificially binding post-school educational development, even though:

- The HER ToR seek ‘a broad broader tertiary education sector’, including ‘an integrated relationship with vocational education and training’.
- The Minister, reading community and workplace needs, has identified that “the supposed dichotomy between academic and technical education is ultimately a false one” – ie. technical and analytical skills need to be developed together.
- Work is increasingly complex in terms of mix of skills and capacities needed.
- International models, plus assessments by longstanding analysts support the timeliness of a single higher education system, as ‘noted’ by the Panel.
- In Australian reality, as noted in the DP, universities (able to move more flexibly through self-accreditation) are offering more “purpose-built vocationally-oriented degrees directed at specific labour markets in the professions and para-professions”. This, plus the changing nature of work, highlights the nonsense of debating whether need is higher for ‘additional training at the university level than at the vocational level’ [DP p22, p41].
- Australia’s institutional and system distinctions are arbitrary and funding based, with unfortunately persistent ‘class’ features in terms of students (‘professionals’ or not) and teachers (‘academics’ or ‘trainers’). Yet, the pinnacle Bachelor of Medicine, for instance, contains substantial vocational and practice learning. Within universities, a research doctorate sits a long way from a three-year degree.

While Australian analysts tend to defer to the structural HE/VET split in discussion, many pointers show that tertiary education should be a single arena. As the Minister states, “Higher levels of post-compulsory education lead to rising levels of workforce participation, which in turn lead to rising productivity and rising prosperity”. The OECD also refers to a continuum of tertiary education and qualifications, and notes that complications arise from practices of defining tertiary education “in terms of the institution, rather than the programme”.

ACPET recommends a single Australian Higher Education System with an integrated continuum of functions, qualifications and providers, and streamlined administration – operating by 2011:

► Australia needs a ‘fit-for-purpose’ qualification and quality system structured around student and provider performance. With more complex life, work and productivity challenges, this review should not perpetuate old barriers to individuals or employers attaining learning objectives and useful qualifications. Barriers to innovation and enterprise by any type of provider should be removed.

► Most Australians see post-school education as ‘higher’. There appears no reason against Australia steering all formal post-school education through one efficient, effective, modern Higher Education system in place of multiple ‘sectors’, to deliver a matrix of qualifications responding to evolving stakeholder needs.

13 DP 1.2, p2. The Panel says the Functions include to “prepare a highly productive, professional labour force, alongside the vocational education and training (VET) sector”. See further points through the DP including 3.4.
# A.3 Characteristics of higher education providers – diversity and results

The challenge for Australia is to achieve a modern higher education system to meet needs for concurrent development of thinking, technical and generic skills. This system will need a diversity of providers each working on integrated programs at levels to suit rising demands of individuals, workplaces, and global interfaces. The OECD records substantial shifts in education thinking and doing in OECD nations.

The scope and importance of tertiary education have changed significantly. Over 40 years ago … [it] was what happened in universities. … These days, tertiary education is much more diversified and encompasses new types of institutions such as polytechnics, university colleges, or technological institutes.

These have been created for a number of reasons: to develop a closer relationship between tertiary education and the external world, including greater responsiveness to labour market needs; to enhance social and geographical access to tertiary education; to provide high-level occupational preparation in a more applied and less theoretical way; and to accommodate the growing diversity of qualifications and expectations of school graduates. *OECD Thematic Review 2008*

In contrast, there are signs of a narrowing approach in Australia. The HER Panel, for instance, proposes an Australian higher education system should demonstrate a set of capacities [DP 1.3 points 1-9]. In Panel discussions there were suggestions that each organisation, to be higher education provider, should show all those features.

**ACPET considers delineation of the characteristics and expectations of an Australian higher education system is useful, however ACPET recommends -**

- It be made clear that 1.3 sets expectations of the whole of higher education, by adding after ‘system’, the words ‘to be attained through a diverse set of high performing, globally-focused institutions’.

- It be noted that various Australian universities would fall short of aspects of points 1-7 if these were applied as entry tests for each current or potential higher education provider.

- To recognise emerging diversity, and to encourage innovation, enterprise and public and private investments within a single higher education system, section 1.3 point 8 needs to be reworded as:

  8. Open and inclusive, with rules to ensure all organisation types can attract resources commensurate with their performance in student learning and skills development, and their potential to contribute to 1-7.

ACPET would be very concerned if this Review were to become a process to ‘save’ current public universities from the school-leaver demographic impacts highlighted by DP Fig 8. The HER ToR include a requirement to consider ‘effective and efficient investment’ and ‘improving funding arrangements for higher education institutions’.

However, resource considerations need to be against key performance tests, including:

- enhancing the role of higher education in contributing to national productivity, increased participation in the labour market and responding to needs of industry

- the responsiveness of the sector in altering the course mix in response to student and employer demand and an understanding of trends in the economy, demography and the labour markets served by higher education, and

- supporting and widening access to higher education, including participation by students from a wide range of backgrounds. *HER TOR, Mar 2008*

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18 Refer Minister Gillard, *Equity in the Education Revolution*, 3 Apr 2008, and the HER ToR.
The ToR, and the policy framework, cannot be construed as excluding private providers, of any type, from resourcing or performance considerations.

Indeed Australia would be remiss not to recognise that there will be institution and staff resistance to changing from visions of ‘classic universities’, notwithstanding real differences in status, resources, capacities and teaching-research emphasis. Further, the open-economy track record [A.1], and OECD/world experience indicate Australia should benefit by harnessing the energy and service models of innovative private sector firms to actively address Australia’s skills development challenges.

The DP identifies two key areas of capacity/skill need, and education opportunity:

- mature adults - upgrading or refreshing skills to undertake multiple career roles and new and increasingly complex work tasks for a longer working life, and
- disadvantaged groups - Indigenous people and those from low socio-economic status (SES) backgrounds (among young people, many of 19% not achieving Year 12 or Certificate III qualification, as well as adults of all ages).

ACPET members have education and business models that are firmly attuned to the learning services required by these special target groups. Non-self accrediting institutions (NSAI) for instance, mostly offer smaller classes and closer support than general university programs, and they do this within efficient cost structures.

ACPET represents a range of private providers with an associated range of education and business models focussed on sustainably providing learning services to particular markets. ACPET membership includes entities from each of the main NSAI sets delivering a wide range of courses in diverse locations, often as so-called ‘dual-sector’ providers.

<table>
<thead>
<tr>
<th>Type of NSAI Institution</th>
<th>number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>from State and Territory higher education registers March 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private entity</td>
<td>66</td>
<td>45</td>
</tr>
<tr>
<td>Professional / membership association</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Faith-based institution</td>
<td>42</td>
<td>29</td>
</tr>
<tr>
<td>Government instrumentality</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>University private arm</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>145</td>
<td>100%</td>
</tr>
</tbody>
</table>

Of these 145 institutions, at June 2008:

15 were consortia colleges aligned to either Sydney College of Divinity or the Australian College of Theology and do not have accredited courses in their own right. The other 130 institutions have developed their own higher education courses. Eighteen (14%) of these 130 operate in more than one jurisdiction creating 198 registered entities across eight jurisdictions.

65 (45%) had gained Federal Higher Education Provider (HEP) approval to offer FEE-HELP support to students since March 2005. Of these, ACPET provides Tuition Assurance for 51 (78%).

Over half (81) are also Registered Training Organisations (RTOs), 61% (88) offer postgraduate level courses, 14% (20) offer research degrees, 63% (91) are approved to deliver courses to overseas students.

Peter Ryan 2008

19 Davis 2004: “The prevailing paradigm in Australian higher education regulation, the Dawkins policy framework, now shapes thinking in the bureaucracy and universities alike.” ie. “one type of tertiary institution in Australia - sizeable universities, comprehensive, research focused and funded at a similar rate.”

Part B. Key issues for higher education, for providers, for students

Chapter 3 of the Discussion Paper presents observations around the challenges facing Australia higher education, and seeks responses to quite particular questions. The DP is more ‘public university’ than ‘higher education system’ oriented and, at times, the terminology is not inclusive. For instance, 3.5 raises ‘higher education’s role in the national innovation system’ then asks questions about universities and research.

• ACPET, representing private providers, responds to DP chapter 3 in sequence.
• Some headings and questions have been reframed to provide a logic to ACPET’s tabling of concerns with current arrangements as well as ACPET propositions for a strong single higher education system.
• ACPET references a range of statements and reports. These contain considerable evidentiary analysis. The Panel understands broadly established concepts. For instance, the Panel will be aware of the body of work on the general efficiency of commercial, profit-based entities in competition across many sectors. Accounting, legal, engineering, medical and educational services are provided with integrity by commercial enterprises worldwide. These firms and personnel add greatly to global and Australian capacities and to knowledge development and diffusion.

B.1 Meeting industry, economy, and student career needs

‘Meeting labour market and industry needs’, in the DP words, is a key test for investment of public funds in education. The DP includes perspectives on skills needs and likely match with graduate outputs. A number of DP points confirm the artificiality of divisions in higher education, and reinforce the need for a single effective, efficient Australian Higher Education System as ACPET recommends in A.2.

The DP assesses that “under our current system, student choices about whether to study and what to study are the primary determinants of how much and what sort of higher education is provided”, but spends little time on the perspectives of students.

A school leaver today faces a half century of work – as business operators, specialist providers or various types of employees – and people age 40 have 25 years ahead. Individuals and families look beyond current employment, to work and life interests and as the DP notes, to long-term career potential, often wider than their first field of training. Study and work interest, practical qualifications with status, potential mobility, flexibility and life earnings, are factors when choosing education pathways. Fewer people now are prepared to be seen as ‘labour supply’, even if the pay is high.

The war is for ‘talent’, and looking forward, that talent will manifest in many forms, often as creative individualists, self directed workers, in teams, or in global entities. Whether future skill needs will be ‘university’ or ‘vocational’ is an academic debate based on old structures. Experience and qualifications at high-skill interfaces of traditional VET programs and degrees offer interest, options and strong work futures.

We now operate in a very different world, with responsibility for success shared across the entire organisation, a differently skilled and motivated workforce … . Delaat 2008 21


22 Wil Delaat, Managing Director, Merck Sharp & Dohme (Australia), in Fast Thinking, April 2008.
Enterprising providers, as noted in the DP, are responding to industry and student calls, including some universities (which are able to move fast if they so decide). Other universities and TAFEs seem to have trouble adjusting traditional ways.

There are areas of specialist intelligence, caniness being developed in mode 2 world, that academia / government institutions cannot grapple with – spaces for private entities who have the wherewithal to interface with industry – diffusion of knowledge by industry for industry. These should be able to compete for funds for teaching, development of specialised qualifications across VET-uni lines, and receive financial support for students. HEP

Aspects of university structures and priorities mean students do not drive their own choices as much as implied. Government allocation of Commonwealth Supported Places (CSP) to universities for areas of study, does steer student selection – from their first choice of course and institution, through to ‘fallback’ courses and places. Then, courses offered under CSP so not subject to direct market pressures, can be conducted by academics of fixed mindset, or who want to ‘teach what we research’, or by staff other than those advertised as the lead academics by the university.

In theory, private enterprise providers should be able to – and need to – respond to changing marketplace demand (employer and student), and demographic shifts. This is occurring well in some arenas, where private ‘for-profits’ have and continue to address substantial personal, community, industry and government needs.

However, as in all industries, regulatory structures and traditional ways embedded in the crafting and application of rules, can stand in the way of responsiveness.

There seems to be an ideological stumbling block around so-called ‘for-profits’ in education, or is it competitive. Long-term profits require sustained, quality performance. Further we have a clarity of vision and function – much more efficient and effective providers of adult upskilling education for instance. As seen overseas. HEP Australia 2008

A key test will be the weight Australian governments place on addressing the national need to lift education and skill levels broadly across the population. What is a better system for doing this now, a system that will evolve naturally to meet future demands? Which type of providers are better suited now for servicing two key areas of need identified in the DP: adult upskilling, and less advantaged economic groups?

ACPET recommends Australia remove artificial structures and achieve one effective higher education system, attending to industries and students [A.2]. This would provide a platform for addressing challenges and advancing the order of reforms set out in the UK report, Higher Education at Work: High Skills, High Value.

The [UK] paper suggests that higher education providers develop new ways of working to meet the needs of employers and employees, and suggests ways to encourage employees to upgrade their skills, including the use of Foundation Degrees; accreditation of employers’ in-house training by higher education institutions; improving information, advice and guidance through a new adult careers service; ensuring relevant and flexible learning is available; and promotion of credit transfer. HER DP p25 on DIUS-UK 2008

King, The Rise and Regulation of For-Profit Higher Education, Observatory on Borderless Higher Education 2003
Q. Impediments to innovation in developing courses and programs

The DP considers some obstacles to responsiveness, mainly from public university perspectives. However, the discussion is from within the box. A modern education system needs to be built on critical review and inventiveness in all its structures.

People are not sitting down and looking at the post-secondary landscape and opportunities and constraints that stand in the way of education integration. **HEP**

The biggest impediment to innovation is the historical dual-sector division. ACPET recommends a single effective Australian Higher Education System mainly for this reason. ACPET membership includes a number of long established multi-level education providers, well-experienced at servicing youth and adult education, occupation and personal development needs at interfaces. To many of them, Australia’s post-school education arrangements have been rolling backwards.

There are fundamental issues with the ideological gulf between current vocational and higher education qualifications, with VET stuck on the competency based training model and set structures even where it does not work (ie. above certificates, even Cert IV). So students are voting with their feet and with Fee-Help, into new HE courses that some universities can move faster to set up, covering similar ground without the strictures.

Advanced Diploma and Diploma were always meant to be para-professional now including managers/supervisors. But providers have lost control of structures and we can’t customise them for our student needs (although this is what we are supposed to do and theory says there is flexibility). Need one system to uncouple these from training packages; tiers of qualifications and the way they are developed and delivered.

All practice based qualifications have skill and practice elements – competencies – plus theoretical and personal/professional elements. Some universities move to do this without the constraints of training packages and long slow NSAI accreditation process – they sit on our accreditation panels, where we show our developed materials. We have to run the gauntlet of HE accreditation which is far more rigorous than in universities ... yet we are constantly being measured against ‘idealised’ university provisions. **ACPET member 2008**

Developing one Australian Higher Education system without VET and HE sector divisions would be a challenging exercise. This should not deter the Panel from recommending such an important reform. The goal should be to meet Australia’s socio-economic needs looking forward, rather than securing sectors or institutions.

The Australian Qualifications Framework (AQF) gives a platform for a single system. The AQF provides a qualifications and outcome capacities framework that should enable tailored course development. Aspects of training packages would be useful at all levels – likely moreso than in current structures where attempts to build articulation ‘across sectors’ have achieved little.

**ACPET is looking to be closely involved in addressing this major impediment to higher education innovation.** The challenge will be securing jurisdical, cultural and technical shifts in thinking. Importantly, elements of VET arrangements including quality and audit approaches, fit modern education needs and should be harnessed.

Many aspects of the VET accreditations and audit approach are stronger – more attuned to outcomes and performance, than checklisting on inputs. And to developing capacities and continuous improvement, rather than setting obstacles to being in the field. **HEP**

For ‘upgrading skills or retraining’ (vocational terms used by the Panel through the DP) features of current VET programs should add value across all post-school education. For instance, structured, useful Work Integrated Learning, and requiring industry records in teachers and researchers. Issues with ‘academic academics’ without experience of work in their teaching field, have been identified in surveys.
The results of the employer’s survey match the findings of previous research ... [on] skills lacking in university graduates ... shortfalls are primarily in communication, problem solving, leadership and social ethics skills. ... employers also [want] application skills where graduates can work to make systems more efficient ... [plus] soft skills that make a graduate ready and efficient as an employee. ... universities in general ... have to work hand in hand with industry so that graduates are better equipped for the workforce. Nair and Patil 2008

A second, substantial impediment for non-universities is regulatory overload. As seen in quotes above and below, regulatory issues interweave with difficulties arising from the sector divisions. Current processes slow the efforts of established providers to respond to changing student, work and industry needs. The regulations also operate as barriers to entry or expansion – a concern for the economy.

A university can put together a ‘coherent’ group of units in 4-5 months, or even 8 weeks to reach the market – race it through their system. Don’t have to go far to find units listed on websites that are ‘not offered’ but look interesting, and materials or courses have not been developed, waiting until they have customers. NSAI HEPs must fully develop a course and materials, market analysis and staffing before we can apply for accreditation. That can take 6 months, then add 8-10-12 months to work through the formal process and receive Ministerial approval – then we can start marketing, sometimes two years later. HEP

In non-universities, vocational aspects of course needs cannot nest inside a higher qualification, but can SAIs, especially universities, can develop courses as they see fit. Can move into any sector they want quite easily. Less scrutiny, dotting i’s, crossing t’s. HEP

Major barriers to expansion -- meeting the nuances of different departments, even though there is supposed to be a national system. Time for course development and accreditation, will there be mobility? In my opinion, registration / accreditation is necessary, does serve a purpose, does benefit private providers, is a barrier to entry, but is important. HEP

Issues with the regulatory regimes for registration of provider organisations and accreditation of courses are discussed in sections below, particularly in B.9.

A further issue is the current allocation of government funding for post-school education – both for students and for innovation and development, including paths for adult upskilling. This is discussed below and in section B.8 on ‘resourcing’.

Q. Mechanisms for ensuring HE meets demand for high level skills, and for aligning supply and demand of graduates.

Marketplace factors (personal visions and aptitudes, status, courses balanced with work practice, employability, career prospects, mobility including globally, and potential earnings) all steer student choice [B.1]. Markets can work finely to reflect needs and wants, and should be the major signalling factor in an open economy.

Up-front cost is an element as recognised in government extensions to FEE-HELP. Accessibility of programs is also important with working adults likely placing extra weight on flexibility, location and course scheduling. Availability of CSP subsidised and HECS-HELP assisted places must influence degree aspirants – and this has been a traditional way of Governments steering students toward preferred occupations or particular universities. However, recent years have seen various universities returning unfilled places and associated money.

A more powerful approach would be to ensure education opportunities are as widely available through the population as the economy can afford.

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“The nursing profession used to be considered mostly a ‘feminine’ career, but that’s changing very quickly. Because nursing offers so many opportunities and experiences – not to mention job security and competitive pay – more and more men are joining the profession every day.” Michael D. discovernursing.com USA 7.2008
As DP 2.3 points out, evidence suggests “a positive relationship between levels of education attainment and productivity” generally. “A combined increase in formal training and in the average length of education will boost both productivity and participation”. This is increasingly recognised world-wide, as noted by the Minister in speeches. The ALP Platform 2007 also reflects community views on education.26

The new Government will not ignore Australia’s human capital needs. A new era of collaborative reform is being initiated. Traditional priorities and modes of service delivery won’t do. New priorities are being set and new flexible ways of delivering services are being explored. Minister Gillard, Equity in the Education Revolution, 3.4.08

The challenge of funding and building education across populations is more stark in developing nations, although developed nations also have competing demands for tax funds. Private enterprises that design and deliver programs to fulfil rising demands for technical, thinking and generic skills are a key to education advance.

[G]overnments around the world regard a substantial, or growing, higher education system as essential for economic development... a nation’s human capital, and the new ideas and innovations generated... are the major drivers of economic growth... In poorer countries the funding is simply not available... Even in countries... such as the USA, state aid in the form of student grants, loans... and tax breaks... has been larger than is generally appreciated. But alternative claims on public expenditure (such as health)... have reduced... funding for university systems... in many countries the part of the higher education sector growing fastest is the private segment. King, 2003

OECD nations are addressing these challenges in multiple ways, including opening tertiary education provision to a diversity of enterprises, as the OECD identifies:

Government control and oversight is not the only means to steer the behaviour of educational institutions – and in some instances may not be the best. Depending upon national circumstances, governments may wish to evaluate how they may strategically use institutional competition and student choice as a means to achieve stronger performance from their tertiary system. This may be achieved by recognising new types of institutions, allowing the portability of institutional subsidies and/or student support, strengthening credit transfer and articulation arrangements to foster mobility between institutions, and improving the availability of information about quality to prospective students. OECD 2008

DP 3.8 outlines Australia’s debate so far about linking Government funding with student choice through mechanisms such as vouchers, rationed scholarships and learning entitlements. Equity credits have also received recent discussion. The Panel notes “a ‘student-centred’ approach could potentially distribute government support to a wider set of providers reflecting student choices”.

ACPET recommends that student-centred funding models be seriously examined in this 2008 Review. Government support to students to enhance their learning in response to personal attributes and reading of marketplace signals not restricted by provider should achieve a range of returns. Indicators of need for reform of education provision linked to student choice include:

► Productivity, economic and education policy directions, plus the need for innovative educational action in response to market signals within a single Australian Higher Education System

► That a range of HE providers are now established, and students warrant choice to suit their multiple needs, and equivalent support whatever type of providing institution they select. [see also B.8]

26 ALP Platform and Constitution 2007: Chapter 2 Building a Strong Economy, Principles... Everyone capable of employment should be able to secure a job and education or training... we support a dynamic, mixed economy, which drives economic growth by fostering enterprise, innovation, and competition to deliver benefits to all Australians and which invests in our people and their ideas to drive improved productive performance across the economy... is committed to providing:... opportunities for everyone to be educated, trained and job ready through-out their working lives through learning opportunities that are broad based and nationally accredited....
Q. Good or poor practice – being able to react to skill demands

The Panel asks about “examples of good practice where you can demonstrate either rapid response to skill shortages or successful initiatives to improve generic skills?” [q5] Private providers are strongly student focused. Most operate ongoing evaluation, continuous improvement, and work to meet generic skill challenges.

For less capable, less advantaged students with latent capacity, we offer - small class sizes, student support systems, teaching staff employed sessionally in a positive sense (unis use sessionals covertly) so we can adjust to cohort needs, monitor staff teaching performance and develop their teaching (pedagogical/ andragogical principles) - if they are willing to work with us, many study/research as well, we intervene if problems are emerging (not reticent like academia), students must have a strong experience. HEP

These enterprises should be able to run ‘fast response’ businesses to meet complex skill development needs including for generic capacities, and particular skills shortages. Most say they would, if they could operate on a ‘level playing field’.

The ALP Platform provides a general descriptor of a level playing field - a ‘dynamic, mixed economy, which drives economic growth by fostering enterprise, innovation, and competition...’. In the context of industries, the Assistant Treasurer expounds.

This is not about picking winners it is about creating a platform from which our industries can compete. We’ll level the playing field and, then it’s up to those industries to compete on their merits. And enhancing competition and creating competitive markets are a fundamental pillar of the Rudd Government’s economic agenda. That’s why we are concentrating on revitalising competition policy. Assistant Treasurer Brown 2008

Level-playing-field issues arise around registration and accreditation requirements on NSAI (non-self accrediting institutions), how these are specified in regulations, and implemented in practice across the nation. Current rules have been well tested by many more NSAI seeking registration, accreditations and approvals since 2006.

Through these applications, real issues with processes and administrative practices have become evident. Registration and accreditation requirements are linked when an entity initially applies (but HESA HEP approval is a separate step). After registration, entities must obtain accreditation for each new course. Major changes require approval based on “an application which includes precise details of the nature of and reasons for the changes, as well as the impact of those changes”.

In gauging a level playing field it is interesting to consider how course quality and assurance within universities occurs and is checked. Universities generally say they have internal quality assurance processes culminating in their Academic Boards. For AUQA (Australian Universities Quality Agency), the workings of Academic Boards appears to be a primary test. Maintenance of academic standards and ‘academic quality assurance’ are seen as major functions of the Board. Notably however:

[Audit] panels have been parsimonious with Commendations involving Boards: of many hundreds of Commendations [in all reports to Sep 2006] only five ... specifically mentioned Boards [four on quality assurance, one governance]... audit panels have [made] 31 separate Recommendations concerning Boards and their processes ... [20] concerned with maintenance of academic standards, effective implementation of policy, and accreditation and review.

Serious NSAI issues with current processes are grouped and discussed in section B.9.

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22 From, for instance, the Victorian Registration and Qualification Authority (VRQA) Guide July 2008. The Guide explains that the Authority “will determine whether additional information or approvals are required, whether by seeking advice from an appropriately qualified external expert source, or seeking advice from a previous assessment panel, or through the establishment of a new assessment panel”.
Overall, most private providers agree that –

A sound and credible system of accreditation administered by an independent third party is a basic requirement in the modern operating environment faced by institutions of education. 

These notes from sizeable private HEPs, however, point to ‘poor regulatory practice’ standing in the way of responsiveness to skill development needs.

**HEP 2008.** Last year [we] secured re-‘accreditation of courses’ and re-‘authorisation to conduct’ through the relevant [State] authority … The [State] process took the best part of a year … about 4 months in preparation and the rest in response and review. It demanded preparation of around 500 pages of detailed information on course contents, staff credentials, financial viability, academic governance, student support and the rest.

But it would have been more efficient were we empowered to demonstrate our capability and good faith in ways more appropriate to the specialist, distance, teaching institution that we are, rather than to do so covering the bases better suited to an institution of bricks and mortar or with a research program and making appropriate adjustments. Particularly galling was the assumption that the measure for the quality of teaching staff was their research publication record, rather than, say, live experience in business management.

… As to time, the relevant bureaucrats and review panel were polite and helpful, but at each step there were long periods of silence, and we were conscious that the decision makers had a great deal on their plates and that our submission was not their highest priority. This can be very disconcerting when the business depends upon the outcome.

Thence to HESA. … To require legislative action to authorise each particular application is itself very cumbersome, so the intent is patently restrictive. To require our rewriting in another form large amounts of what had already been presented for state-administered accreditation and authorisation was at the very least poor coordination, and arguably oppressive. …

The [HESA] application … required wading through roughly 380 pages of the HESA, 150 pages of administrative information for student support, 20 pages of HE guidelines, 12 of administrative guidelines relating to the act, a 39 page information pack, and completing a 46 page application pack. … Indeed, the process would have been impossible to navigate were it not for a very helpful administrator in Canberra. …

The fact that all this apparatus can be borne relatively easily by public universities or large private institutions also constitutes a classic market barrier to entry. Multiple regulatory processes constitute an additional burden, needlessly compounding our competitive disadvantage against the larger resources and self-evident standing of public universities.

**HEP 2008.** We have been able to get a number of degrees accredited in 18 months, interact well with the regulators but the process of regulation is a different matter. We have a board of Directors, Academic Board, depth of experts in course advisory committees, and obtain testimonials for our course – then still a panel – a small group often competitors, is convened. Very different regulation to public universities whatever their quality.

**HEP 2005.** For domestic higher education accreditation, there are … different approvals required at the State level and … approvals required at the Federal level. If the same private provider based in one Australian State or Territory wants to deliver identical courses in another State or Territory, in an identical delivery method that has already been fully approved, … additional … registrations must be sought. Thus, to run a 1 hour lecture in say Hospitality Marketing, in one State and one Territory in Australia, using the same academic staff, the same course content and the same course materials, a total of 9 government registration and approvals processes must be endured. These processes do not make any contribution to the quality of the one hour lecture, no contribution to the educational experience of the students or their learning outcomes and provide little or no support, guidance or encouragement for the academic staff in question. Indeed, the range and overlapping nature of the various compliance regimes add confusion and doubt.
Q. Responding to demographic change - adult upskilling and retraining

The Panel notes that for adult skill building, different education products and approaches are needed. As identified in OECD and other surveys, working adults seek a mix of skill and theory/capacity development to suit their work aims. They will pick modules of courses and learning modes if one does not meet their wants.

ACPET providers are already operating education systems tailored toward groups that need and seek different styles of teaching, knowledge access and development. **Key impediments to ACPET members moving faster in response to needs are -**

► The historical dual sectors for ‘VET’ and ‘higher’ programs and their structural differences. ACPET recommends one Australian Higher Education system [A.2, B.1]

► Regulatory inefficiencies and overload, and policy premises for some rules [B.1-B.9]

► Allocation of Government funding and resourcing. ACPET recommends student-centred funding models be seriously examined in this 2008 HE Review. [B.1, B.8]

Many institutes and colleges have track records in providing integrated thinking, vocational and generic skills programs with close connections to industry at all stages of course development and program operation. The Knowledge Capture diagram below, illustrates multiple lines of knowledge input, use and diffusion.

*From the Chifley Business School ©. Inner circles read from left clockwise: Industry curriculum committees, Business focus groups; Business development managers, Instructional designers; Evaluations/surveys; e-Committees.*
The propensity - and potential - is to develop programs in close practical linkage with industry at multiple levels, with students themselves often part of ‘industry’. This manner of program development also enable adjustments to teaching and delivery to suit adults at life stages, including integrated explanation of ‘why’.

Regulatory issues raised in this submission, including difficulties in course delivery at the interface of ‘sectors’, are holding back innovation by such enterprises. The possibilities are seen where some have worked through long accreditation processes, and are now taking innovative next steps. *Going the Distance in South Australia* illustrates a number of education needs being addressed in a one-system way.

### Going the Distance in South Australia

The Australian Institute of Management South Australia and Regional Skills Training partnered to enable students from rural communities in SA to undertake studies to MBA degree level.

Current university approaches to distance education with its emphasis on IT to overcome the problem of isolation is adequate to prepare students for positions as senior strategists in rural and agri-businesses, mainly because of the restricted opportunities for face to face discourse and networking. Bandwidth to support most e-teaching platforms also does not reliably exist.

Working with cohorts of 10 to 12 participants Regional Skills Training offers study programs to Vocational Graduate Diploma in Business level in regional centres. *AIM SA Graduate School of Business* then enrols successful graduates in their MBA program giving credit in 6 of the 12 MBA courses. AIM SA academic staff travel to the region to provide class sessions to the cohort fortnightly, to facilitate visits to exemplary local enterprises and to coordinate a forum for guest speakers from local farming, community, industry and public sector organizations.

A second cohort from the Clare Valley is on schedule to complete their Diploma late this year and commence the MBA early in 2009. Other cohorts from the South East SA, the Mildura and surrounding Riverland region, and the Yorke and Eyre Peninsulas are under recruitment.

Other AIM SA GSB initiatives to meet industry and organisation executive leadership demands include establishing learning consortia with businesses or industry groups which utilise courses within the MBA and post-graduate programs in combination with action learning projects to provide unique experiences for potential executive leaders and a path to the AIM SA MBA.

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B.2 Opportunities to participate in a higher education system

The Panel appropriately positions less advantaged groups for concerted attention. Industry participants might observe that universities in their public roles, have had decades to address this question with marginal advance. Some universities have developed effective access programs, but others seem to have categorised the issue as one for attention by others ‘in earlier years’.

Australia and Australians cannot wait for increased effort in primary schooling to produce more ‘university-ready’ young people. Most workers of the next 30 years are adults or near leaving school. The productivity agenda depends on high workforce participation and lifting everyone’s capacity to handle more complex work.

Assuming roads will be opened, including by addressing living assistance issues, for less-advantaged persons to advance their education, their particular interests and teaching and support needs must be closely considered. There are challenges in achieving equivalent learning outcomes for student groups outside university mainstreams. These include less prepared students, adults wanting to upskill through flexible mixes and delivery, or English-as-second language speakers.

A single Australian higher education system, without artificial barriers to course structures and types of providers, should assist addressing these needs - needs of individuals, their potential employers, and the national economy.

Q. Improving participation and success in higher education

Entities, public or private, that focus on students and teaching will also likely achieve more returns for these groups compared to institutions where teaching is a secondary activity in resource and promotion terms (reflected in views such as ‘never let your teaching get in the way of your research’, or the notion of ‘buying out teaching’). Focus, attitude and professional systems are key. Staff contracts and development need to be aligned to achieve optimum teaching and learning services.

Teaching in a university … has to be made more professional. Whether it is coming from sessional staff or permanent staff, we can no longer afford a 19th century attitude of amateurism to operate in terms of tertiary teaching. Percy et al, The RED report, 2008

Aside from living support to individuals, particular investment will likely be needed to support HEPs in delivering specialised teaching and care systems to increase successful participation. The Dusseldorp Foundation works with unemployed youth, and notes for instance, that while the Australian economy offers incentive to work -

... it is more of a mixed picture ... when considering the detail of how well our education and training pathways are organised, and the quality of work-based learning opportunities, safety nets [for those at risk], information and guidance, and transition processes.

Different teaching structures, especially the smaller class sizes and closer tutoring and support, are a feature of many private providers. These entities are positioned to contribute to national programs to enhance skills and capacities.

Increased costs for special attention to achieve learning outcomes, should be recognised in student and provider funding arrangements [see also B.8].

32 Dusseldorp Foundation / Australian Industry Group, It’s Crunch Time, Raising youth engagement and attainment - a discussion paper, August 2007.
B.3 Focus on education – the student experience and outcomes

**Education must be the primary purpose of universities – as for all higher education providers.** Without this education purpose, universities would be research institutes, or think tanks, or businesses generating knowledge [B.4].

**This primary purpose needs to be squarely recognised in this Review, and success in achieving this purpose needs to be adjudicated objectively.** For instance, the DP suggests employment paths and lifetime salary are indicators of ‘good outcomes for graduates’ from higher education qualifications. However, the initially higher capacity of incoming students could be just as or more influential.33

**Q. Monitoring and measuring student learning and experiences**

USA research indicates what might be generally suspected: that ‘top’ institutions attracting ‘top’ students add less to their students in terms of value and outcomes, than lesser entities working hard on student experiences and learning,34 even where both sets of students express satisfaction. Many references could be raised in debate but of note is a warning from Professor Trudy Banta from US experience:35

> [S]tandardized tests of generic intellectual skills do not provide valid evidence of institutional differences in the quality of education provided to students ... we see no virtue in attempting to compare institutions, since by design they are pursuing diverse missions and thus attracting students with different interests, abilities, levels of motivation, and career aspirations ... the use of test scores to make comparisons can lead to a number of negative consequences, not the least of which is homogenization of educational experiences and institutions. The wide variety of opportunities for higher education has ... been one of the great strengths of higher education in the United States.

This Review needs to consider monitoring and measuring against overall objectives ie. the performance tests in the ToR. These include enhancing contribution to national productivity, increased work participation, responding to needs of industry, and supporting and widening access to higher education. These tests could be a basis for ascertaining the value achieved by public investment in education through support to students, or any type of provider.

**ACPET members are concerned and willing to be involved in any development of meaningful monitoring and measuring techniques, and in how these would be used responsibly in lifting education outcomes, in benchmarking, and in institutional promotion. ACPET considers:**

- assessment should be of entity, or sub-entity, performance, based on outcomes in terms of student advance on multiple criteria through stages of their education experience
- assumptions about providers should be avoided – including that universities as a whole, or in parts, are quality providers, whereas others are variable [DP p13]. There are, and will be, wide variations of experiences and outcomes within and across public universities
- the Australian higher education system would encourage innovation in teaching, technologies and service models by moving away from checking inputs and towards assessing outcomes.

[see also Libraries as a Touchstone B.4, and B.9]

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33 As the Panel would be aware, universities often describe student ‘quality’ in terms of ‘Tertiary Entrance Rank cut-off’, by university, faculty or course. TER is inexact but indicates bands of basic capacity and preparation.
34 Banta, Keynote: *Assessment for Improvement versus Assessment for Accountability*, AUQF 2008, Canberra. Banta reported that correlation analysis of standardised tests for improvement in generic skills – critical thinking, problem solving, writing – found ‘flagship campuses earn lowest ‘value-adding’ scores against incoming scores (correlation of enter and exit score around 0.9); So-called lesser campuses lift students up further’.
B.4 Education provision - genuine diversity and interaction

ACPET is concerned that the Panel appears set to maintain structural separations in post-school education, against strong indications for reform [refer A.2, B.1]. Any rationale for separate sectors is fast fading, as points in DP 3.4 further highlight. Complex work, including in professions, means industry, employer and student demand for all types of skills built through integration of theory and practice.

Reflecting this, some universities, TAFEs and enterprising private providers are striving to offer more useful courses – yet they are still regulated as ‘dual-sector’.

Q. One higher education mission – develop capacity, skills and knowledge

ACPET is recommending one Australian Higher Education System with an integrated continuum of functions, qualifications and providers - by 2011. This system should be developed without traditional barriers to types of education suppliers. There is no identifiable policy argument, today, for public entities or universities to be given priority in providing tertiary education [A.1].

Attitudes that only ‘higher education’ or ‘researchers in universities, public and other research organisations’ have a role in ‘the innovation system’ [DP p40] are also outdated. It is now 15 years since international thinkers realised knowledge production was radically changing. In 1994, Gibbons and associates reported that knowledge generation was fast shifting from a classical Mode 1 to their Mode 2 (applied, problem-centred, transdisciplinary, heterogeneous, hybrid, demand-driven, entrepreneurial, network-embedded). These shifts are now evident daily; substantial knowledge generation is occurring beyond universities and professions.

Today’s Mode 2 knowledge is “increasingly transdisciplinary … draws upon and integrates empirical and theoretical elements from a variety of fields’, is generated in universities, industry, research centres, consultancies, think-tanks”, and by “new types of non-subordinated researchers” whose work “cannot be authoritatively encoded in traditional forms of scholarly publication”. There is also an emerging Mode 3 thinking around super-complexity.

ACPET considers Australia needs one higher education system with one mission – to develop capacities, skills and knowledge across the diverse Australian population.

► This system needs to recognise, harness and diffuse knowledge generated from all sources, through multiple pathways, to many people. Past assumptions about research and innovation need review [B.5].

► Frameworks to encourage and provide support to a diversity of students, and to educational providers offering a mix of tailored services, will be a key to performance and education results.

37 Jasanoff 2003, Technologies of Humility: Citizen Participation in Governing Science, Minerva, 41:3, 223-244.
39 ‘A Mode 3 knowledge… surely beckons … a knowing-in-and-with-uncertainty. … The educational task … enabling individuals to prosper amid supercomplexity, amid a situation in which there are no stable descriptions of the world, no concepts that can be seized upon with any assuredness, and no value systems that can claim one’s allegiance with any unrivalled authority.” Barnett 2004, Learning for an Unknown Future, HERD 23:3, 247.
Achieving ‘diversity’ in higher educational providers has been bipartisan policy for many years, as reinforced in Ministerial speeches backing the ToR for this Review.

The Rudd Labor Government now needs to take up the next reform challenge - that is to inject diversity, choice and the highest quality into our mass higher education system. Unless we resource and respect higher education institutions, we simply won’t maintain our standard of living. The inescapable conclusion is that Australia needs a new direction in national higher education policy. Minister Gillard 13 March 2008

The focus has been on diversity among universities, with various explanations of the meaning, and need. Reasons range from redistributing funding so some Australian universities can join the top world ranks, as well as ensuring access, to improving outcomes and productivity by valuing what particular organisations do best.

Universities are different. It is time to end the one size fits all approach. To value the individual and divergent missions of each of our universities. Allow them to do what they do best. It is time to give them a financing and regulatory system where we promote, not stifle, diversity. Deputy Leader of the Opposition, Jenny Macklin, June 2006

So, the diversity sought for most of the decade has been achieved mainly through private sector initiative. There have been forecasts of segmentation and identity marketing, more universities building on strengths and fixing weaknesses and messages such as: "Don’t try to be all things to all people, this is no longer funded or rewarded.” In 2008 reality, Australian universities in 2008 still operate on a basic model close to the classic aspirations of many academics.

Australian universities ... publicly support the notion of diversity, but actual behaviour suggests moves towards similarity between institutions, not major differentiation. While there is a reasonable degree of diversity in terms of the level of research focus, course profiles and the culture of universities, there is also a relatively high level of convergence in terms of overall institutional type. For example, of the six categories of institutions identified by the Carnegie Foundation... only one is represented among Australian universities, all of which are ‘Doctorate Granting Institutions’. Common contextual drivers across a system, particularly those relating to funding, contribute to this convergence.

Funding is a key factor. The classic model is reinforced in the National Protocols and government funding programs then drive universities to further converge. Most categorise universities as a group and then allocate funds against set criteria often including co-operation to spread sameness (the Learning and Teaching Fund is an example, also CASR, and ARC research grants).

The National Protocols 2007 state “diversity in Australia’s higher education system, both within and between institutions, is important to meet diverse and changing student, employer and community expectations”. However, the regulatory regime and its application, as discussed in this submission, work against diversity. For example, ‘university equivalence’ tests are found through the Protocols, and being a type of University pivots on undertaking ‘research in broad fields of study’ associated with offering research degrees [refer B.5].

As VC Chubb identifies, though perhaps with a particular vision, achieving effective and useful diversity across Australian higher education will be determined mainly by decisions of Government (and this Review) on (i) restrictive rules – so requiring

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41 Chubb, Higher education: it’s time... [to change the policy framework]. ANZSOG Lecture 20 February 2008.

42 Deputy Leader of the Opposition, address to a Business / Higher Education Round Table conference Tomorrow’s universities: the need for change, 7 June 2006. www.jennymacklin.net.au/ [6.2006].

43 Attributed to Simon Marginson from presentations to university forums around 2005.

44 Guthrie, Johnston, King 2004. The Carnegie classification is useful to Australia in demonstrating the potential for many types of institutions, enterprises, and resourcing structures, contributing to educational outcomes.
“a contemporary view of regulation for the increasingly competitive operating environment”, and (ii) on resourcing for a differentiated higher education system.

Both sides of politics have railed against ‘one-size-fits-all’ funding. ... we know ... flexibility is not easily achieved. Experience suggests that even when measures are introduced to dilute funding incentives that induce sameness, cultural norms remain powerful in a sector where institutional status is confused with institutional purpose and performance.

To achieve a diverse and effective Australian higher education system, all factors standing in the way of its development, and its evolution in response to student and industry requirements, need to be critically examined.

As the Discussion Paper identifies, multiple factors are interacting “to increase the competitiveness of the operating environment for higher education providers” [p13]. Providers are operating “in competition with each other both within Australia and internationally”. The Panel says Governments should be aware that:

In a competitive environment, any effective and sustainable strategy for higher education needs to be founded on a recognition that universities will behave as enterprises in a market, albeit enterprises that still have a strong sense of their public benefit role. ... [and] any comprehensive approach to higher education must take account of the growing role of the private sector as well as recognising the increasing ‘private’ activities of all universities. DP

Regulatory regimes and funding streams, especially for student choice, are key, as is the conduct of public entities. Public universities carry out public activities for which they receive funding but they are mainly commercial organisations behaving in highly competitive ways to all around them. The Panel would reasonably consider points such as the following in relation to a single, effective higher education system.

- Arguably, all activities in a public university are ‘commercial’ except perhaps, provision of education services to students in Commonwealth Supported Places, plus identified community support activities and some research programs.

- Reforms to copyright law in 2006 included ‘new exceptions allowing schools, universities ... to use copyright material for non-commercial purposes”, 45 come into question. Public universities seem to classify teaching activities as generally ‘non-commercial’. Where do postgraduate or overseas programs fit here? Similar questions arise with Library arrangements and licences for ‘non-commercial use’.

- Competitive conduct and cross-subsidisation in use of staff and facilities warrant attention. The 2001 Senate review found issues with cross-subsidy, regulatory advantages, and competitive neutrality principles not operating as expected. 46

ACPET considers the focus of student programs and performance in delivery are keys to diversity.

- In a single Australian Higher Education system, providers should not be differentiated on basis of their business model or commerciality. Public universities are now basically commercial entities. The regulatory framework needs revision to remove anti-competitive protections on any provider.

- Regulatory and funding arrangements should be revised to enable market signals to finetune all aspects of higher education operations within a national system framework. A single effective system in 2015 might feature less public universities and a wider range of private providers.

46 Senate WRSME Committee 2001, Universities in Crisis Report. One HEP notes in 2008: ‘Competitive Neutrality should be operating now at State and Federal level, but has failed to deliver the reasonable and affordable access to public infrastructure anticipated.’ Others report universities are increasingly negative on sharing.
Q. Higher Education System Framework – qualifications and infrastructure

Developing a single Australian higher education system should remove the issue of lack of ‘movement of students across sectors’ in institutional and jurisdictional terms [DP 3.4]. Articulation theory has achieved little, despite rising need for and interest in multi-skill learning. This indicates structural and regulatory problems.47

In response to calls from industries, employers and students, some universities and TAFEs plus a range of private enterprises are shaping courses to integrate thinking, capacity, skills and knowledge development. Market demand is seen in moves to add skills development plus industry-work segments, into university programs.48 Universities, with their flexibility, can do this quite readily (and likely want to keep this competitive edge). TAFE and private providers with records in high-skill education have been slowed by training package strictures and accreditation rules [B.1, B.9].

Issues around the ‘fit’ and ‘fitness’ of structured qualifications would need to be addressed as a single higher education system is developed. The AQF provides a firm working base [A.2, B.1] for the qualifications dimension of a single HE system. However, as DP p42 identifies, the AQF “descriptors are sector-based” and likely add to “difficulties in building pathways and providing credit between the sectors”. The DP also notes commentators are raising the need for “a more integrated framework to provide for more flexible and streamlined pathways” and that:

A seamless post-secondary education system was one of the key ambitions of the Productivity Stream at the 2020 Summit, ... calling for a system that allowed people to move in and out of education at all levels throughout various stages of life and work.

The Summit report also records that Australia’s “institutional arrangements need to be reformed”. It says “policy and funding should be driven by the needs of the individual rather than the institution” – seeming to refer to historical systems that have grown to reflect say, interests of administrations or staff, ahead of needs of individuals, groups and the economy that depend on those systems for progress.

The challenge for Governments, and this Review, is to take major policy steps to develop one higher education system - beyond institutions – by:

- removing traditional ‘sector’ divisions of vocational and HE – recognising that integrated multiple skill development is a rising need of future education.
- removing ‘public’ or ‘private’ distinctions and focussing on resourcing and rules to support students, diversity in student programs, and provider performance.

ACPET assesses that lateral thinking on infrastructure will also be important in a single HE system, including a national knowledge library equally accessible by all students in Australia.

47 The DP notes that the “interface between vocational education and training and higher education institutions manifests itself in credit transfer and articulation arrangements, dual sector universities, multisector campuses, some limited sharing of infrastructure, some research collaboration and increasing overlap in qualifications offered”. However, “the numbers of students that move between the two sectors is relatively small. The proportion of domestic undergraduate students admitted to higher education on the basis of prior vocational education and training study (articulation) was only 10.1 per cent in 2006. The proportion of students gaining credit (or exemption) for previous vocational education and training study was only 3.4 per cent in 2006. Also: DEST-PhillipsKPA, 2006, Giving Credit where Credit is Due - A National Study to Improve Outcomes in Credit Transfer and Articulation from Vocational and Technical Education to Higher Education.

48 SCU, for instance, offers Industry Internships potentially accounting for one sixth of a range of Bachelor of Business or Bachelor of Tourism programs, to ‘apply university studies, build valuable hand-on skills develop workplace competencies and experience’. Prior industry work can be credited in place of internship. scu.edu.au

Also: Universities Australia, A National Internship Scheme - Enhancing the skills and work-readiness of Australian university graduates, Position Paper May 2008.
The DP identifies, in relation to universities, that “both the staff and non-staff costs of teaching and research are rising sharply”. In addition -  

Universities are also confronting the very major costs of moving to computer-mediated, electronic and flexible delivery modes, while at the same time attempting to sustain, as far as possible, their campus-based and face-to-face teaching approaches. While there may arguably be some downstream savings from increased use of ‘e-learning’, there are enormous transitional costs in creating digital libraries, converting existing courses and developing new ones, and establishing new electronic infrastructure. International evidence also suggests that these costs will recur frequently due to the rate of change in technology and student expectations for both e-learning and face-to-face teaching.

The Panel notes “there have been some moves to address the capital issues facing universities” through the Higher Education Endowment Fund and the broader Education Investment Fund intended “to support capital expenditure and renewal and refurbishment in universities, vocational institutions [and] research facilities…”.

A single HE system should ensure that support funding intended to benefit students and their learning is distributed among the diverse providing entities.

Recognising diversity in types of providers should also involve acknowledgement that outcomes can be achieved in different ways [B.3]. So public universities may give students access to brilliant libraries (much used by their researchers) but ‘jump’ student-staff ratios to meet cost pressures [DP p16]. In comparison, private entities establish library access appropriate to course needs, and provide smaller class sizes to advance learning in specific groups of student-clients.

The Library as a Touchstone – a conundrum for policymakers and regulators

Problems arise with panels of university discipline academics applying personal norms to non-university entities during registration and accreditation review. There is a general measure of ‘equivalence to existing Australian self-accrediting higher education institutions’ (universities) in the National Protocols and this seems to be read by some as a classic university benchmark.

Rapid advances in electronic access to knowledge of all types, including scholarly literature, also contrasts with views of some regulators and panels that a ‘library’ means a space with books – even if such is barely provided to thousands of distance students enrolled in Australian universities.

**HEP 2008**: “Despite holding multiple copies of the prescribed texts and electronic databases, to be accredited there is a requirement that a formal agreement is in place for students to use a University library. This is becoming more difficult to arrange as some Universities have or are creating policy that prohibits such arrangements. However they do have community access programs but these are not formal enough to meet the accreditation requirements. ... this has become an issue for us [as] the University we had a formal agreement with is now not continuing to offer it. This will be another barrier to entry!! To create a library that would be ‘sufficient’ would cost ... approximately $500,000 for one site and at least $250,000 per annum to maintain.”

**HEP 2008 - Statement in application**: “... has given special and detailed consideration to the provision of resources that are relevant, contemporary and easily accessed by students. ... students are provided with an extensive set of on-line resources that can be obtained through the Internet, collections of readings and detailed course notes. In addition, the employers of many of the students have excellent library resources and databases, often in specialised areas.”

**HEP 2008**: “Private providers operating in HE need to have a negotiated right of access to public HE infrastructure on an equitable financial basis including access to University libraries and research broadband networks like AARnet and other selected relevant facilities where appropriate like clinical, testing or sporting facilities so as to a) avoid duplication and b) contribute and compete on the basis of competitive neutrality as has already been agreed by Ministers.”
B.5 Higher Education – Innovation – Knowledge – Research

Embedded views about research and universities could be costing Australia’s economy and innovation system too much. This 2008 Review needs to come to grips with the education-research nexus and with associated regulations.

Discussion Paper 3.5 refers to Higher Education’s role in the National Innovation system but then focuses on research in universities. The DP also notes that in 2004-05, universities represented 27% of the Australia’s R&D effort (although over 83% of pure basic research expenditure). ‘Innovation’ is broader than research, and ‘knowledge generation’ and ‘transfer’, are different again.

The systems approach to innovation views economies principally as interacting organisations (mostly business enterprises or firms) that to a greater or lesser degree respond to demand by engaging in innovative activities, strategically marketing products or services, and influencing each other’s behaviour. Firms prosper when they continually innovate and develop successful strategies. Those that do not eventually go out of business. An innovation system also includes non-business organisations (for example, universities, government agencies, or regulatory authorities) providing direct or indirect services to innovative firms. Some ... constrain what can be done. No Simple Solutions 2005

Research, innovation, and knowledge generation and transfer, are not exclusive provinces of universities, whereas education is their core purpose [B.3, B.4]. Further, the challenge of educating is escalating as economies and societies demand higher thinking, performance and integration in work and life, and that most everyone be educated through their life. Images of a few students, bright or privileged, sitting at the feet of elite research masters are long past.

It is important this ‘policy to practice’ HE Review scrutinises assumptions behind the tying of research and higher education. Ties are seen in various arrangements.

- The National Protocols 2007 require that “all Australian universities must have a culture of sustained scholarship which informs teaching and learning in all fields in which courses are offered, and undertake research leading to the creation of new knowledge and original creative endeavour in fields where research masters and doctorates are offered” [DP p45]. New (2007) provisions for specialised universities and university colleges, also pivot on research capacities in a smaller spread of fields.

- ARC grants for research projects are targeted to Table A universities [see B.8].

- Substantial Government funds go to support the concept of university staff generally researching. The paid time of academics is apportioned to a mix of teaching, research and community service.

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50 The preparedness of Minister Gillard and the Prime Minister to review ‘sacred cows’ is on record: Message rings loud and clear: no sacred cows, The Age, April 18, 2007.

51 National Protocols 2007 definitions: Research comprises creative work and artistic endeavours undertaken systematically in order to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications. Research is characterised by originality ... has investigation as a primary objective, ... outcome[s] ... new knowledge, with or without a specific practical application, or new or improved materials, products, devices, processes or services. (Research can be ‘basic’, ‘applied’ or ‘experimental development’.)

Scholarship in relation to learning and teaching involves: demonstrating current subject knowledge and an ongoing intellectual engagement in primary and allied disciplines, and their theoretical underpinnings; keeping abreast of the literature and new research, including by interaction with peers, and using that knowledge to inform learning and teaching; encouraging students to be critical, creative thinkers and enhancing teaching understanding through interaction with students; engaging in relevant professional practice where appropriate to the discipline; being informed about the literature of learning and teaching in relevant disciplines and being committed to ongoing development of teaching practice; and focusing on the learning outcomes of students.
Allocating say 30% of time to research (plus study leave?) is a feature across universities. This adds to teaching and course costs in number of ways:

- "...any point in time in any university a significant proportion of academic staff are not actively engaged in research" [DP p45]. There are suggestions of up to 40% not researching – though some would be involved in community service.

- research performance is highly variable within and across universities, with a tail of universities receiving income to support research but few grants.

Most HEPs have staff who could research if they had access to research funds – how much research would universities do if they did not get research money. Look at the graph!

- arguments that "there is an essential nexus between university teaching and research" [DP p46] are diminished by changing features of educationally effective university operations – including distance learning with limited teacher contact, teaching-only satellite sites, non-researching staff as busy teachers, and sessional staff carrying major roles in university course programs.

Sessional teachers perform the full range of teaching-related duties, from casual marker to subject designer and coordinator. In a number of cases, sessional teachers undertake a variety of roles: for example, a practicing professional may be a curriculum designer, a subject coordinator, a tutor and a casual marker. One sessional teacher interviewed ... was a subject coordinator who prepared and delivered all the lectures, laboratories and tutorials and conducted marking for 160 students across three subjects. RED report 2008

- observations that research detracts from fulfilling today’s teaching needs and expectations in terms of time, attention and professionalism of teaching.

The existence of ... a fruitful nexus between teaching and research tends to be an article of faith with many academics – that, at higher education level, you cannot be a good teacher unless you are also a good researcher. But the benefits of the research-teaching nexus ... should not be taken for granted. A [USA] review concluded that most studies actually suggest an inverse relationship between research productivity and teaching quality - at least as this is measured by student satisfaction surveys. A likely explanation for this pattern is that students tend to regard the availability of academic staff as very important ... academics with strong research interests and extensive research programs may have to consciously work to compensate for the constraints on the time they have available for individual students.

These realities call into question the Australian positioning of research – as distinct from scholarship - as intrinsic to a university’s educational purpose. Directing funds and staff time to research is required here, but not elsewhere.

‘How good is the research’ is another question. In requiring universities and their teachers to be researchers, the expectation is one's research will inform one’s teaching. However, the new Excellence in Research (ERA), in aiming to identify “excellence across the full spectrum of research activity” appears likely and realistically, to reveal that some half of university research output is ‘ordinary’.

52 Varies among universities with some more flexible in time allocation. Enterprise Agreements provide indications of priorities. This clause, from a top 10 research university's 2005 EA is indicative: "The starting point for discussions about the allocation of work for teaching and research academic staff is: Teaching 40% [including course development and material preparation], Research and Scholarship 40%, Other activities 20%. These percentages may be varied in an individual staff member's engagement profile."

53 Chubb 2008: "Despite government incentives encouraging research expansion in newer universities, the performance gap between the top research universities and the rest has widened ... since 1992 ... the leading eight increased their share of total research income from 66% in 1992 to 68% in 2004. The bottom twelve increased their share from 5% to 6%...”. Marginson 2007: "... the new universities were never provided with the "blue sky" research funding of their predecessors, and the pre-1987 stratification of research outputs survived" but in a global context "sharks in Australia are merely salmon abound".

54 "... this is just an artefact of the Australian national protocols ... Universities do not necessarily have a research role in England, many US states, some Canadian provinces and many countries in Africa, Asia and Latin America”. Gavin Moodie. The Australian 30 July 2008.

55 ARC, Excellence in Research for Australia (ERA) Initiative Consultation paper, June 2008.
In globally-focussed higher education institutions, courses and teaching should be informed by the ERA’s A* and A of world and Australian research.

A measure of ‘excellence in and application of scholarship’ would be a more relevant and honest Australian test for university status.

The general requirement in Protocol A is for ‘academic staff active in scholarship that informs their teaching”. This extract from a UWS Policy indicates an approach where strong scholarship, effectively applied research, is the measure of excellence.

Academics in Educational and Learning Development do not have a primary research or research supervision role. The learning development and educational development units conduct research which is applied, practice-based and assists the University in evaluating and developing its teaching and learning capabilities. Scholarship critically informs and emerges from this work. Applied research involves analysing, developing, evaluating and disseminating educational and learning issues and initiatives, usually in collaboration with School-based academics, but also with partners outside the University. UWS 2008

Australia is doing itself a disservice by setting up barriers to innovative education providers entering the university field, with scholarship to the fore.

The word ‘university’ is an important brand but is not necessarily seen in a ‘research’ way – Australia is underselling itself in world competition by not extending its usage. HEP Australia could consider a suite of potential types of institutions under a new single higher education system. However, these should not be ordained nor perpetuate barriers. Descriptors like ‘teaching only’ and ‘non-self accrediting’ are needless. Innovative providers including entrepreneurial commercial entities should be able to work towards a repositioning to service market needs and in doing so, contribute to advancing skills building, and knowledge diffusion across a wider range of students.

This is a matter of institutional mission, scale and intent ... Over time such a system would allow private providers to [function] in the Australian HE system at the level appropriate to the proven academic contribution, HE performance and aspirations of each entity. HEP

ACPET recommends the Panel examine use of ‘coursework informed by global scholarship’ as a realistic modern test of a university’s educational purpose, and that:

► Such an investigation consider what is occurring now, costs added by the research nexus, and whether returns to Australia's economy, and to students through teaching, are commensurate.

► Elements of the National Protocols be reformulated to use strength of scholarship and its application as a test for ‘specialist universities’ and ‘university colleges’. ‘University college’ should be stand-alone title, ie., not a transitional form tied to a requirement to become a full university within five years.

► A suite of potential types of institutions be considered under a single Australian Higher Education system but should not perpetuate barriers to innovative development and repositioning.

► Access to Government research or development funding should be open and competitive [B.8].

57 UWS Academic Staff Working in Educational and Learning Development Policy. //policies.uws.edu.au/ 7.08.
58 “Institutional diversity is a policy that in some guises may lead to greater regulatory protection in the higher education system, particularly for elite universities, by, for example, denying claims to research funding by aspirant new institutions. Some observers extend this argument by suggesting that governments should formally and clearly allocate functionally differentiating roles to institutions in systemic structures or tiers … Stratification and typecasting, rather than competition, are the main outcomes. ... new or young universities object to what they regard as unfair restrictions on their aspirations.” King 2006, Globalisation, Institutional Aspirations and Regulation: The Australian National Protocols.
B.6 Australian higher education and the international arena

ACPET members have increased the international focus of their operations and courses over the last decade, reflecting industry and student demand. Many have been involved in development of programs and pathways for overseas students to study in Australia with Australians and people from other countries. Many are ambassadors in the important export education industry [A.1, DP 3.6]. Variable performance among Australia’s public international providers is viewed as a risk.

For private providers like us it is vital that the reputation of the Australian higher education overall and the processes for warranting it are secure ... fairly or not, we are more vulnerable than are public universities to suggestion of taint ... For better or worse, legislation remains the safest vehicle for articulating publicly and enforcing the standards which should apply to the licence to educate, and government remains the best guarantor that assessment for those standards is administered objectively. But it is what is being assessed, and how, that differentiates good from bad regulation. HEP

ACPET members suggest a number of changes that should benefit all in this field.

Australia needs a simpler, positive term for NSAIs, eg. Approved Australian Higher Education Institution, and needs to give national support to AAHEIs ... A single, self-explanatory, Australian government warrant ... which can be displayed by non-universities in local and global marketplaces. (The alternative ... is relying on a long-winded demonstration that accreditation is state-based but recognised under ‘national protocols’, or having to explain that CRISCOS registration primarily meets an immigration policy purpose and is not a proxy). HEP

Australia should acknowledge the importance of the education interface with nations and individuals around the world and appoint a Parliamentary Secretary for Export Education and for associated policy and action. HEP

ACPET recommends attention to the ‘presence’ of Australian higher education on the international stage when shaping a single HE system. Application and information requirements by all Government agencies including HESA and ESOS, should be co-ordinated to reduce business time on regulation [B.9].

B.7 Contribution to economic, social and cultural capital

ACPET members contribute to economic, social and cultural capital in multiple ways as they develop long-term student focussed education businesses. Private providers are parts of their communities and industries, and have never been able to stand apart in the Ivory Tower manner of universities of times past.39

The DP identifies a ‘third stream’ of university activity and discusses university calls for additional funding, although there appears to be income for this calculated into the cost-base for allocation of staff time [B.5]. The National Protocols confirm this in particularly stating that “institutions receiving significant public funds are expected to ... engage with the community to enhance material, human, social and/or environmental wellbeing of the community”.

ACPET members will continue active engagement with stakeholder communities including industry.

ACPET considers Government project funding for wider engagement projects should be open to application by all providers under a single Australian Higher Education System [also B.9].

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39 “Universities increasingly see themselves as members of overlapping communities. They recognise that the days of the ivory tower are over, and they are busy forging partnerships with businesses, collaborating with schools ... “ C. Clarke, UK Secretary of State (E&S) The Bulletin UK August 2003.
B.8 Resourcing an Australian higher education system

The Australian Government must balance investment in education, health, defence, welfare and multiple national development demands. Total funding is a matter for Government decision. As a contribution to general considerations, ACPET suggests:

► It is important this Review examine funding models as alternatives to current arrangements - without assuming an overall increase in government inputs.

► While the policy context indicates no special rationale for public bodies being given priority as post-school providers [A.1], Australia has a longstanding investment in public universities that needs to be recognised.

► Public investment should change with socio-economic need, education challenges and other developments. There appears room for efficiencies in public university arrangements and operations [B.4, B.5]. Private entities could provide useful models.

► Australia needs an effective single Higher Education System, removing sector and public and private divisions, and ensuring innovation is encouraged [A.2, A.3, B.1].

► The single Higher Education System needs to be open, inclusive and administratively simple. Rules need enable all types of providers to attract resources commensurate with their performance in student learning and skills development, and potential to add to the HE system [A.3].

Resource allocation and regulation are the keys to Government achieving policy directions. There needs to be a single qualifications and regulation framework based on performance factors [B.1-B.9]. The policy purposes of allocating resources should not be confused. ACPET considers current funding arrangements give mixed signals particularly to Australian students, but also about status of institutions.

Today’s multiple student-associated programs could be categorised just as means for Federal funding of public entities. They could also be seen as layers of protection favouring public institutions and holding back competition. The layers include:

- allocation of Commonwealth Supported Places (CSP) to all public universities and SAIs, plus a small number of places for set courses to private universities

- a quantum of public funding paid directly to the university for each filled CSP

- different student fee support schemes, the 'better' one being linked to CSP, ie:
  - access to HECS-HELP loan arrangements for students filling CSPs60
  - FEE-HELP for Australian postgraduate students at any university or higher education provider, plus undergraduate students at Open Universities Australia61
  - FEE-HELP plus a 20% loan fee for undergraduate students at any approved higher education provider, plus a recent version of this as VET-FEE-HELP.62

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60 Associate Degrees delivered by a university or university arm can be based on CSP with HECS-HELP. Associate Degrees delivered by approved other institutions can be linked to FEE-HELP.

61 The Bond University website [7.08] describes accessible Australian government support: ‘FEE-HELP is an interest-free loan available to Australian citizens and those holding a permanent humanitarian visa to help pay tuition fees for undergraduate, postgraduate, coursework and research study. Although there is no real interest charged on the loan, the debt is indexed annually in line with the Consumer Price Index (CPI). Administered by the Australian Taxation Office, FEE-HELP allows students* to borrow up to $81,600 for all degrees except for medicine [$102,000] ... The FEE-HELP loan is repayable through the taxation system once repayment income exceeds $39,825. A 20% loan fee applies to FEE-HELP loans for undergraduate study. This fee does not count towards the FEE-HELP loan limit. No loan fee applies to FEE-HELP loans for postgraduate study.’

62 VET-FEE-HELP, established in February 2008, ‘is restricted to eligible full-fee paying students in Diploma, Advanced Diploma, Graduate Certificate and Graduate Diploma courses [where] VET providers have credit transfer arrangements with a higher education provider in place for each VET accredited Diploma or Advanced Diploma qualification”: Minister Gillard, Second Reading Speech 14.07.2008
Public universities and institutions also receive funds through grants and programs. This Government funding provides for buildings, staffing and developmental strength that can be leveraged to attract income from external sources; large sums in the case of some universities.

All Higher Education Providers (universities, SAi or NSAi) must comply with the National Protocols and provisions of the HESA Act. Table A providers (listed in HESA as all public universities, ACU, Batchelor Institute) is the premier HEP category.

**The Table A position**

- Table A HEPs were automatically approved under HESA and are quality audited five yearly by AUQA. Other HEPs must apply for approval, must be able to and meet quality and accountability requirements, and be audited as decided by a quality auditing body, plus by other auditors as required, for compliance with provisions in HESA, HEP Guidelines and its Instrument of Approval including financial viability, fairness, contribution, fees requirements.

- Table A receive Government assurance of financial continuity (other HEPs must have Tuition Assurance arrangements).

- Table A are listed automatically as grant recipients under the Commonwealth Grant Scheme (CGS) for Commonwealth Supported Places (CSP). There are seven others.\(^{63}\)

Other Commonwealth Grants are enabled by HESA 2-3 and the Other Grants Guidelines.

- Table A are eligible for all, and Table B for some\(^*\) of various grants to: promote equality of opportunity in HE, promote productivity of HE providers, enhance teaching and learning, support national institutes, support capital development\(^*\), assist with superannuation costs, support research and research capability and training of research students\(^*\), support diversity and structural reform.

- Table A providers are eligible for all and Table B for some\(^*\) of the following, as are body corporates specified in the Guidelines\(^{64}\): grants to assist with the cost of providing the practical component of teacher education\(^*\); to foster collaboration and reform in higher education; to support the development of systemic infrastructure used by higher education providers (including Bond, Notre Dame); to ensure and enhance quality of HE, foster or promote research or scholarship, or to open access.

The Education Investment Fund (EIF) is an $11 billion fund announced in the 2008-09 Budget. The EIF will open with $5 billion plus $6 billion from absorbing the Higher Education Endowment Fund (HEEF). The Minister stated [13.5.08] that EIF priorities will be capital expenditure and renewal and refurbishment in universities and vocational institutions, and in research facilities and major research institutions. Applications for 2009 HEEF grants are now open and restricted to Table A and Table B as defined in HESA.

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**These grant programs provide operational, capital and special purpose income to universities** and some others, above the income they receive through CSP provisions. CSP funding in 2008 per full time student year is for instance, $1,674 for commerce courses, to $8,217 for computing, $10,106 for allied health).

Universities charge students additional fees for undergraduate courses and postgraduate courses. These visible tuition fees create benchmarks for all higher education providers including those not eligible for Commonwealth places or grants.

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\(^{63}\) The CGS Guidelines at Feb 2008, lists / limits additional grant recipients to: Avondale College; University of Notre Dame Australia; Bond University; Melbourne College of Divinity; Tabor College; Christian Heritage College. Bond University, The University of Notre Dame Australia, and Melbourne College of Divinity are listed as Table B providers under HESA 2003 16-20. Table C providers includes only ‘Carnegie Mellon University, a non-profit organisation established under Pennsylvania law’. All other HEP are not HESA ‘listed providers’.

\(^{64}\) For instance, for Collaboration and Structural Reform Fund Grants (CASR) the Guidelines identify Table A providers as eligible, plus Australian Vice-Chancellors’ Committee; Business/Higher Education Round Table Limited; General Sir John Monash Foundation; Academy of the Social Sciences in Australia; Australian Academy of the Humanities; Australian Universities Quality Agency; Australian Council for Educational Research; Australian Chamber of Commerce and Industry; Business Council of Australia; Australian Industry Group; Council for the Humanities, Arts and Social Sciences; Gippsland Education Precinct Inc; and TRISH MS Company Limited.
This table compares pricing and support circumstances for a sample of courses.

<table>
<thead>
<tr>
<th>Institution and Course</th>
<th>Student fee per unit</th>
<th>Commonwealth support / EFTSL</th>
<th>Eligible for Cth grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>UTS Bachelor of Management in Leisure</td>
<td>$636</td>
<td>$1,674 a year</td>
<td>Table A and HECS</td>
</tr>
<tr>
<td>SCU Bachelor of Business major in marketing</td>
<td>$1,062</td>
<td>$1,674 a year</td>
<td>Table A and HECS</td>
</tr>
<tr>
<td>Think : APM College of Business Bachelor of Marketing</td>
<td>$1,550</td>
<td>nil</td>
<td>No. FEE-HELP loan plus 20%</td>
</tr>
<tr>
<td>HEP Advanced Music Production Analysis Unit</td>
<td>$1,625</td>
<td>nil</td>
<td>No. FEE-HELP loan plus 20%</td>
</tr>
<tr>
<td>UTS Media Arts and Production</td>
<td>$636</td>
<td>$1,674 a year</td>
<td>Table A and HECS</td>
</tr>
<tr>
<td>SCU Bachelor of Clinical Sciences</td>
<td>$1,100</td>
<td>$4,647 a year</td>
<td>Table A and HECS</td>
</tr>
</tbody>
</table>

As the Panel observes, these regulatory and funding arrangements have a major effect on the viable ‘marketplace’ for private sector higher education providers.

... with the exception of ‘national priority’ student places (generally ... nursing and teaching), private providers are not eligible to receive Commonwealth supported places. ... Similarly, most (... not all) private providers are not eligible for capital funding from the Commonwealth.

Therefore most private providers operate in areas where: • they are not in direct competition for students with the publicly funded institutions; or • the demand from fee-paying domestic or international students is high and the corresponding courses in public institutions are also offered on a fee-paying basis; and • the costs of infrastructure and teaching are relatively low.

Australia’s private higher education sector is therefore comprised mainly of small institutions providing a limited range of courses in specific areas, ranging from divinity ... to finance and business studies, natural therapies and hotel management. DP p64

This confirms the effects of current structures on entrepreneurial innovation, investment and competitive vigour, the wider policy framework notwithstanding [A.1].

ACPET considers arrangements for higher education resourcing should be better aligned with Australia’s open economy, innovation, competition and productivity objectives. Equivalence of support to individual students, including equity needs, is a key issue.

ACPET recommends to this Review and the Government that -

► Student-centred funding models be re-examined. Students should be able to use the Federally funded Student Learning Entitlement, including credits for special needs, at any approved provider.65 HECS-HELP should also apply. This would require a wider allocation of CSP, or mobility of provider choice.

► Some public funding will need to be directed to publicly owned entities, however, all approved HE providers should be able to access competitive development and program improvement grants, including for teaching and learning advances, for new course development and for opening access.

► Lateral thinking on infrastructure will important in a single HE system. For instance, ensuring a national knowledge library equally accessible by all students in Australia, through a highway such as AARNet.

ACPET supports initiatives to improve living funding support for all students.

65 Australian citizens, New Zealand citizen or holders of a permanent visa, now receive a Student Learning Entitlement (SLE) providing access to seven years of equivalent full-time study in a Commonwealth Supported Place ie. restricted to institutions and courses where CSP are allocated.
B.9 Governance and regulation – current issues, future principles

To put some of the current compliance requirements into stark relief, just imagine if your child’s end of term report card showed: How much time and effort the school has invested this term in balancing its budget; How well the school did this term at preparing cash flows and revenue projections for the next 3 years; How the school has formulated, documented and promulgated policies and procedures for every contingency. ... the school ... complied with all the required national and state education protocols. That the school had been audited by ISO9001 accredited auditors (with no educational background). Note ... no discussion of how your child did or how he or she is progressing or not progressing. There is no discussion of educational outcomes at all. Bentley and Woodbridge 2005 [refer B.3]

In Part A and B.1-B.8, ACPET advocates a single, effective Australian Higher Education system by 2011, removing divisions between vocational and higher sectors, and between public and private providers in regulatory and most funding terms [B.8].

Current regulatory structures differentiate significantly between NSAI (non-self accrediting institutions) and the large set of self-accrediting universities. Many ACPET members express high frustration and concern about the costs and ‘red tape’ of current registration (entity) and accreditation (courses) regulations and their implementation in each State, plus Federal approvals (to be a Higher Education Provider – HEP) and for provision of services to overseas students (ESOS Act). The regulatory regimes can be shown diagrammatically, from the standpoint of a NSAI.

To an existing or aspiring NSAI higher education provider, this means:

- each entity is to be registered by a State (5 yearly) for compliance with the National Protocols, then separately approved by Commonwealth as a HEP
- detailed reports annually to State authorities including financials
- an AUQA audit at least five yearly, plus possible compliance audits (HESA 19-80)
- accreditation of each course offering, with re-accreditation five-yearly
- re-registration – repeating whole process – each five years or if there is a 'major change' in business arrangements, plus
• State approval for any proposed ‘major change’ in an accredited course
• Separate registration of the entity, and accreditation of course delivery elements in any State/s where the provider wants to physically offer the course.

Evidence of issues is provided through a collation of comments from ACPET members in recent interviews. These points, including views for change, are reflected in ACPET recommendations regarding current rules, and a future single Australian higher education system.

► On system objectives, problems and overall regulatory burden

Top priority: Establishment of a genuinely ‘national’ registration and accreditation system for ‘tertiary’ education including ‘higher’ education so that multijurisdictional providers only need to spend the time and resources on updating and maintaining their status (and right to practice) once per period of registration rather than multiple times. This will ... reduce rapidly escalating duplication, wasted time and dissipation of human and financial resources (of both applicants and regulators) on non-productive [effort] much ... currently done for bureaucratic [checklist] compliance ... Every $ spent on compliance is a $ less spent on educating individual students. Over 10 years this must have run into multi-millions of dollars spent on pushing paper and running audits and panel meetings rather than on teaching.

When established and performing, [entities need] a regulatory regime that does not make the task of staying accredited impossibly complicated and expensive; achieve a single regulatory process – a licence to operate, to deliver, to receive Commonwealth support.

► On need for a performance-based assurance and audit system

Market oriented providers will ensure they are equipped and positioned to take advantage of opportunities to offer suitable courses to target markets that have demonstrable needs. In this context, compliance to meaningful quality standards that evolve to meet the changing environment can be viewed as an opportunity to demonstrate that the provider has independent and credible certification of its course. This is very different to the stifling and inappropriately focused bureaucratic system that is in place at present.

We need a sensible level of compliance that includes: • Registration through one national process, recognizing, where appropriate, international certification and accreditation; • Monitoring of the factors that truly drive quality in education, focusing on outcomes not inputs; • A recognition that our students who are mainly adult ‘clients’, with a client mind set, can themselves obtain adequate information about the educational services available to them and that they have an ability to assess the quality, suitability and value of their educational options; • An understanding of the value of an international endorsement.

► On registration and accreditation processes including timeframes, panels

Innovation also applies to business models - and the Departments seem to have trouble with models developed to be efficient, collaborative ... they look for traditional structures whereas today there are alliances, joint ventures, groups.

Why do Departments require market assessments years in advance to get accreditations? Surely market risk is a matter for the enterprise ... not to be second guessed by public servants and academics faraway from markets and business?

The M course accreditation process was disgraceful, took ages, 12-18 months really, hold up waiting for academics, then many meetings – department ended up saying they couldn’t delay or refuse the accreditation any further. We could not market until all this was done.

Note: Some Departments indicate timing for registration or accreditation. The Queensland Guidelines for the Accreditation of Higher Education Courses offered by Non-University Providers 2007 (52 pp) says 7.5 months in the best case, 12 months in the worst. However, it adds: "These timelines may vary significantly and are designed as a guide only. Multiple course and concurrent applications may extend the times. Well developed submissions and curriculum may expedite processes.” The Victorian Registration and Qualification Authority (VRQA) indicates 6 to 8 months.
On Panels and Time - issues around achieving the intent of the Protocols

Can the nation afford this amount of bureaucracy – tried to establish a Dip Business, guidelines say about 8 months, in reality 18 months. Then Panel makes changes to match the way they do – or did – it at university – they want every element e.g. order of subjects to match what they do at university. What about diversity and different cohorts? Now, I cannot use the accredited diploma as it does not fit with other subjects and what our students need.

We have so much invested having fully developed the course before can even apply, we mainly just do what they say. Even across States - one panellist says we need a piece of equipment, another thinks it would change the nature of the experience! We buy the equipment for one state.

Panels are too often our direct competitors, or want to be. Subject specialists deep in faculties, not trained in policy directions behind what they are asked to do. Concepts can be taken, and in a quicker time, ‘appear’ on universities – even with confidentiality agreements. Panels also override also the processes we step through with advisory boards that set up as required.

Panels, i.e. academic members, want grander libraries – not fit for purpose or attuned to the electronic knowledge economy – want what they feel comfortable with.

Some panel members are direct competitors, adversarial, start by trying to stop a new degree. There are appeal processes but no-one wants to use them. Sometimes Departments moderate. A better way would be for the Department to do a desk audit of the large folders of materials and testimonials provided to them, and only convene a panel if necessary. Certainly, this should be the case for reaccreditation. We are also hoping the Mutual Recognition will kick in properly, the way the Protocols say it should.

It is inappropriate that accreditation panels comprise, almost exclusively, university staff in determining equivalence to ‘university standard’. There would be value in including staff with experience in teaching in private institutions – or with senior operational experience in the field.

On across-jurisdictions - mutual recognition – national accreditation

Why are the arrangements like this? Processes for accreditation and registration have just grown in history, jurisdictional gaming, ‘who is in charge’, ‘not invented here’, competitive barriers and advantage, and Finance trying to limit numbers of people getting FEE-HELP.

Need for a national system and much streamlining and common use of material and mutual recognition, but some dangers in having one national system – loss of competitive vigour among states – cost to smaller providers could be crippling including developing relationships at nationals levels.

Need to conscientiously set about correlating the same or similar information requirements for [ESOS] and HESA (FEE-HELP) into one set of application documentation so that it can be dealt with concurrently during the national registration and accreditation cycle. Again this will help to avoid very substantial time delays on multiple submissions and multiple processing by multiple State and Commonwealth agencies that each feel compelled to undertake multiple reviews of substantially the same evidence.

And ensure Mutual Recognition at the State level is actively streamlined and consistently applied by the Commonwealth having mandated minimal documentary substantiation of the adequacy staff and premises in each location (i.e. State). This could be done by using exactly the same criteria and proforma (not variations on a theme) to eliminate the inappropriate additional arbitrary demands by state bureaucrats on provider practices that tend to encroach on already approved institutional Governance, Policies and Procedures.

Vigilance to ensure Mural recognition is being achieved – MCEETYA as custodians of the National protocols should set this as an auditable outcome of effectiveness. Vital to check how the Protocols, templates and mutual recognition are being applied – spirit and intention of Protocols to achieve diversity and a modern system - in the context of national policies - is defeated if regulators and panels return to a tick-box checklists against old criteria.

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46 National Protocols pt 5. reads: ... advice is normally based on an assessment and report of an expert panel, independent of the applicant, on whether an application should be approved, together with any conditions the panel believes should be attached to the approval. The panel’s composition will be relevant and appropriate to the application under consideration and usually includes at least one senior academic with experience in an Australian university. The applicant will have the right to comment on the panel’s composition and membership, and those comments will be considered before a decision is made. The assessment process will involve evaluation against the relevant criteria set out in the National Protocols, based on written material and discussion with proponents of the institution, and would normally include an inspection of facilities where they exist. ... ...
Radical pruning of the variety of regulations should precede, or at least proceed ... with, any national body. Indeed, without the will to re-engineer, any new body would be born to fail. An integrated registration, accreditation and HESA process to limit the cost, time and paper burden, and mitigate the risk of ‘double jeopardy’ (that is, approval through one process but not the other). While the regulatory standard should be rigorous and consistent, its application should be strictly fit-for-purpose – for example, where an institution has demonstrated its quality and stability through performance over time or through a number of regulatory rounds, a less time and paper-intensive process for continuing licensing.

► On Self-Accrediting Institution or ‘university’ criteria and process

To a certain extent the National Protocols offer paths to diversity – universities, specialised universities, university colleges ... but unless you are a SAI the system is onerous, costly and a barrier to entry ... Further SAI is not a best approach for some providers ... so the answer is not to say ‘become a SAI’. Need a system attuned to diversity in modern education and knowledge arenas, not so onerous and reflecting ongoing performance ... Australia disadvantaging itself by not allowing a more international use of the term university

Toward self-accreditation. Protocols ‘say’ two registration rounds, which is 2 times five years. 10 years is too long in today’s world. Well-performing institutions should be able to achieve self-accreditation in many less years.

Trying to prove university equivalence is a furphy .. libraries, research etc ... that’s how they read Protocol C ... cuts across diversity aims ... outcome aims.

► On the Australian Qualifications Framework

[also B.1]

Australia needs to finish the incomplete reform of the AQF so that Vocational Education and Training includes only Cert I-IV compliance with competency based training via Training Packages. This protects the trades while liberating VET Diplomas, Advanced Diplomas, Graduate Certificates and Graduate Diplomas from the academic dead hand of Training Packages to better align differentiated professionally oriented CURRICULUM content with graded assessment (that optimises rather than minimises intellectual as well as practical/technical performance). ... for high end VET would then better equate with higher education outcomes ... will facilitate articulation arrangements between qualitatively enhanced applied VET qualifications and undergraduate studies. This VET/HE division also permits different funding models for Cert I-IV (open to schools, TAFE and RTOs) as against the FEE-HELP and HECS-HELP funding for all tertiary studies at Diploma level and above.

Similarly alignment of the HE qualifications durations on the AQF with the Bologna process i.e. three years undergraduate and two years post graduate courses. This gives a very clear differentiation - undergraduate studies focus on teaching and applied research, and postgraduate studies focus on either a) coursework plus applied research or b) autonomous higher order research projects for publication.

ACPET considers that when Governments establish regulations to steer or control business, there is a responsibility to reasonably resource their part of the regime with people and funds. Specific ACPET recommendations on streamlining of registration and accreditation include –

► Where a Panel is appointed for registration or accreditation, the Panel should receive induction in policy, process and regulatory good practice from the government agency.

► For re-registration and re-accreditation, or change approvals, the primary path should be desk inspection using the provider’s application book plus testimonials. The onus should rest with agencies to explain any need for a panel or audits.

► A national accreditation and audit body for the single system may be warranted, but costs / returns to all involved need to be weighed. A single, effective, administratively streamlined HE system is the priority.

► The indicative time period for an application to become a self-accrediting institution (SAI) should be contracted to reflect the pace of changing needs and organisation development in modern times. Continuous operation and delivery of accredited programs for three or more years could be an indicator.

Yes, it is time to reshape tertiary education in Australia and financing and regulation.  [DP q 31]

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