Response to the Review of Australian Higher Education Final Report

February 2008
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1. INTRODUCTION

The Australian Council for Private Education and Training (ACPET) is the national industry association for independent providers of post-compulsory education and training. ACPET represents more than 1,100 organisations and enterprises delivering a range of higher and vocational education across all States and Territories.

ACPET welcomed the opportunity to contribute a full submission to the Higher Education Review process in July 2008 and now, based on the release of the Final Report in December 2008, believes it is important to provide follow-on input.

The Higher Education Review was conducted in a positive manner with the Panel making substantial recommendations, many of which ACPET would directly support. Other propositions raise issues for deeper discussion, and ACPET has significant concerns with a smaller but important number of the proposed changes.

As a result of the release of the Report, ACPET wishes to provide additional comment for a combination of reasons based on matters arising from the Report. These reasons include that:

- the Review included group consultations but these were conducted soon after release of the Discussion Paper (DP) and were more in the form of a briefing;

- the June 2008 Discussion Paper included sets of data and projections that appear to be partly superseded by data used by the Panel in its report. The Panel refers frequently to a commissioned analysis by Access Economics 2008, Future Demand for Higher Education. As this demand assessment is likely to be referenced by the Department and used in decision-making it is requested that it be released publicly on the review website;

- the HER Report is university-centric although the higher education industry has changed, as acknowledged at points by the Panel. Private institutions now account for over 9% of Australia’s higher education (equivalent full-time student load) and are an energetic part of our tertiary education system servicing local and international students.\(^1\) There are also other public institutions besides universities; and

- ACPET is concerned that potential consequences of the Panel’s recommendations be carefully considered in light of wider Government policy objectives and effects on all types of students and education providers, not just public universities.

\(^1\) 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 institutions are educating more than 37,000 EFTSL, or over 9% of students as EFTSL in recent years.
2. THE ACPET POSITION

The depth of evidenced argument in ACPET’s original submission was noted by the Review Panel. A copy of this submission is enclosed for cross-reference.

ACPET presented cases for:

- one Australian tertiary education system with a continuum of qualifications and removal of artificial sectoral barriers to tailoring and delivering innovative courses utilising both academic and vocational education strengths;

- one Australian tertiary system in which, aligned with national policy, productivity and competition objectives, institutions are not delineated on public or private/commercial business models – the key test should be provider performance in student outcomes;

- close examination of student-demand based funding models because all types of students warrant choice to suit their needs and interests and equivalent public support for the range of institutions and courses they select;

- recognising realities in Australia and internationally by using strength of scholarship as the key test for specialist university and university college in National Protocols; and

- the need for streamlined, best-practice regulation and administration in a single tertiary education system and removal of anti-competitive elements from regulations and processes.

ACPET also reiterated support for initiatives to improve living assistance for students and opening tertiary education paths for people of all backgrounds and interests and for ensuring international students are recognised as clients, potential citizens and important cultural links.

In addition, ACPET suggested that large increases in government funding should not be assumed by the Panel. Australia needs to come to grips with university cost structures including direct and indirect costs of embedded research nexus. Independent education institutions can offer useful models of innovation, efficiency and education results.
3. THE ROLE OF ACPET

ACPET and member entities look to be directly involved in all facets of development of a modern Australian tertiary education system, including a functional qualifications continuum, academic and teaching performance standards and monitoring performance and quality, modernising regulation, and strengthening services for a wider range of local and international students – to continue the Australian export education success story.

This inclusion needs to be more interactively constructive than written submissions and media debate. ACPET is looking to be involved in working parties implementing change directions. The COAG goals of substantially increasing tertiary education of Australians across all groups are vital, and as ACPET notes in its submission, internationally, private education institutions have a record of contributing with energy and innovation to wide-scale education development.

In Recommendation 1, the Panel asks the Government to adopt a vision, strategic goals and principles statement for the higher education system. Most elements of the Panel’s statement should receive strong support across Australia, but aspects of the statement appear to embed university traditions and mystiques at a time when knowledge generation and dissemination is evolving rapidly worldwide. Can Australia afford to stay in past moulds?

For instance, as many have pointed out, universities do not have a monopoly over new knowledge generation and dissemination, and this cannot be achieved by decree. Knowledge generation and its power are well beyond the territory of universities, as evident daily. Where Australian universities and academics fit in the future picture will depend on how they respond to markets and interact with original thinkers and knowledge generators all around.2

As the Panel says [p141], Australia needs to ‘nurture, support and reward those who produce new ideas and new ways of doing things to prepare us to compete more effectively as the global race for talent intensifies’. This must apply as much to education providers – public or independent/commercial - as it does to students, academics or researchers.

ACPET is concerned that, as written, aspects of the vision, goals and principles will not serve Australians and the nation well. Points of difficulty are expanded upon in the sections below.

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2 It is also difficult to conceive that higher education in itself ‘permits the individual to think flexibly or act intelligently in situations which may not previously have been experienced’ [HER Report page 6 footnote]. This attitude has ramifications when considering a usefully integrated tertiary education system.
4. THE RECOMMENDATIONS

ACPET, representing many institutions, sees agreement with the following HER Report directions and recommendations, (although ACPET identifies below a number of elements for proposed discussion including important details relating to implementation):

a) An Australian tertiary education system

The Panel strongly recommends ‘a more coherent approach to tertiary education provision ... based on a continuum of tertiary skills provision primarily funded by a single level of government and nationally regulated rather than two sectors configured as at present’.

ACPET congratulates the Panel on recommending a stronger National Tertiary System to be regulated as a whole. This is an important and challenging reform. However, while the Panel says a coherent system is vital, the proposals retain a ‘two sector’ distinction. Such differentiation is not needed or useful in terms of qualifications and course development and (as the Panel acknowledges) being blurred practice, especially by universities with the self-accrediting flexibility to move quickly into all learning arenas, if they so decide and without VET system restraints.

The ACPET submission developed a case for a one effective tertiary education system without artificial barriers – public/private, higher/vocational – to innovation, quality tailored products, productivity and performance. 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’). Further, as ACPET explained in response to a Panel question - the biggest impediment to innovation is this historical dual-sector division.

ACPET argued in its submission that:

*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. 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.*

Throughout the report, the Panel itself unpicks reasoning for separate sectors. Degrees, as much as diplomas and certificates, relate to industry expectations, and students want to be educated for work careers. Professional degrees have long had vocational elements and many vocational courses that educated today’s allied professionals and managers across the spectrum, from accountants to event managers, are now provided as degrees. A range of discipline degrees can also now be attained in two years within double-degree sets. All types of qualifications increasingly involve education for thinking integration, problem solving, teamwork as well as knowledge and skills – as all types of work including self-employment and small/medium enterprise (SME) business now demand.
ACPET considers that Australia can have a national tertiary education system without sectors, and with a diversity of institutions focusing on parts of the Australian Qualification Framework (AQF) continuum and on different ways of delivering learning for people with different learning styles to successfully achieve AQF outcomes.

The frontline for the innovative education development that Australia wants is at the interface of higher education and VET – integrating thinking, analysis and multiple skills. Whether future skill needs will be ‘university’ or ‘vocational’ is a debate in theory based on old structures. Courses and qualifications at high-skill interfaces of traditional VET programs and degrees offer interest, options and strong work futures. When tailored by innovative providers to meet the needs of groups of students, such modern courses should also encourage wider education participation.

As stated in the Minister’s ‘a higher education revolution’ speech of 13 March 2008:

[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.

Overall, ACPET endorses the recommendations for a national tertiary education system, including a national regulatory authority (comments also below) and funding arrangements [r.43-45]. ACPET understands that there are sensitive policy issues around sector delineation but considers the new system should be developed with a view to a continuum of AQF qualifications and other features without sector divisions.

In this respect ACPET draws upon the collective experience of public and private dual sector educational providers, to note that the most significant legislative and bureaucratic impediments to immediate implementation of an operationally integrated tertiary education sector in Australia involves the question of institutional VET vs. Higher Education registration, which in turn imposes commensurate sectoral constraints on tertiary course content and delivery methodologies.

Compliance with either VET or Higher Education or both quality assurance regimes currently entrenches a costly duplication of effort to secure mutually exclusive approvals in each sector. These approvals overtly restrict RTOs to delivery of VET qualifications under AQTF Scope of Registration requirements and/or self accrediting or non-self accrediting Higher Education institutions to deliver Higher Education qualifications under very different governance, pedagogic and academic criteria specifically relating to the National Protocols governing registration as a Higher Education Provider and the accreditation of higher education curricula.
To expedite the move to a more integrated tertiary education sector in Australia in the short term, ACPET suggests that the current AQF already acknowledges a pre-existing overlap between VET and Higher Education qualifications at the undergraduate Para-professional qualification level. In particular, parity between VET Diplomas and Higher Education Diplomas, and also between VET Advanced Diplomas and Higher Education Associate Degrees, has long been accepted as providing legitimate dual pathways for different cohorts of learners toward achievement of Bachelor Degree outcomes.

Therefore, ACPET argues for a relatively minor amendment to be made to the National Protocols for Higher Education Approval Processes (MCEETYA 2007) to permit registered Higher Education providers to accredit and offer customised and discipline-specific vocational Diplomas and Advanced Diplomas under higher education criteria. These courses would be viewed as enabling tertiary education programs to offer an alternate pathway into accredited Bachelor Degree programs. As such, the alternate professionally oriented pathways could then be offered as a vocational induction into cognate studies delivered within the context of registered higher education institutions in parallel to the normal three or four year academic pathway to a Bachelor Degree.

Extension of this regulatory flexibility within the National Protocols for Higher Education would be no less rigorous and would alleviate the organisational disjuncture and inherent pedagogic contradiction associated with the institutional imperative to obtain and maintain dual registrations as both an RTO and a Higher Education Provider in multiple jurisdictions. A further advantage of this constructive approach to change management is that it does not necessarily require amendment to the AQTF or disruption to current VET principles and practices.

ACPET is looking to be closely involved in addressing this major impediment to tertiary education innovation as key to lifting education and skill levels broadly across the population. While recognising the development will be stepwise over time, ACPET raises two further points at this stage:

1. **The 40% target** - the Panel proposes that the Government set a national target of at least 40% of 25-34 year-olds having attained a qualification at bachelor level or above by 2020 [r.2]. This might seem an important mobilising stretch-target, but it also raises issues of artificial structuring. The Panel itself mentions a circularity in Access Economics projections of demand for degrees (more people with degrees would itself be a major contributor to market demand for degrees [pp16-17]). There are also problems in using ‘number of degrees’ as a simple measure when a ‘bachelor degree’ today differs from, say, those of 10-20 years ago. Further, setting such a target for one sector perpetuates barriers and class divides. A 40% target may assure public universities but will likely erode numbers, attention and credibility from the ‘remnant’ sector – even with abstract intentions that sectors be equally valued [p179].
A stronger approach for Australians as individuals, workers, educators and employers would be to lift the COAG target for two age groups, 25-34 and 35-45. A COAG target of 95% of 24-34 year olds, and 85% of 35-45 year olds having completed a Certificate III or above by 2020, is more aligned with national objectives and the HER Report framework for advancing inclusion.

Such targets should encourage a range of education providers to develop inventive programs to attract the interest of individuals and employers, to develop both thinking and skills and to serve multiple needs of different students. These may or may not be ‘degrees’.

2. **AQF Review** - the Panel recommends [at r19 and 4.3.6] modernisation of the Australian Qualifications Framework (AQF) to achieve an ‘enhanced architecture and updated and more coherent descriptors of learning outcomes’. The Panel allows that sector divisions will continue through such a review [p194] and apparently into a revised AQF. This would perpetuate unneeded barriers to innovation in course development to meet evolving needs – an unfortunate outcome for Australia that would not constitute a modernisation.

ACPET considers that terms of reference for an AQF review need to extend beyond ‘descriptors’ and into use and usefulness, i.e. processes through which the AQF is to be applied (including requirements affecting flexibility such as use of training packages).

**b) Quality assurance and a national regulatory body**

The Panel’s chapter 4.1 is a strong analysis and a key section of the Report. It is important that the Australian public has confidence in the performance of its tertiary education system and institutions, not just universities. However, standards and performance assessment need to be state-of-the-art in terms of achieving a wide set of education objectives for the nation. This is particularly so in a system aiming to be ‘genuinely available to all’, and to lift the education and capacity levels of large numbers of the population across which learning needs will vary.

In its submission to the Panel, ACPET emphasised that its members are concerned and looking to be involved in any development of meaningful monitoring and measuring techniques, and how these would be used responsibly in lifting education outcomes, in benchmarking and in institutional promotion. ACPET considers that:

- 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 program;

- the assumptions about institutions 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; and

- Australia should encourage innovation in teaching, technologies and service models by moving away from checking inputs and towards assessing outcomes.
ACPET sees the recommendations as covering these points, and welcomes the Panel’s recognition of the anti-competitive nature of current accreditation and audit arrangements. There is an evident need to strengthen the quality audit process, to come to grips with aspects of standards, quality, performance and student learning outcomes that have long been kept within university walls.

ACPET agrees with recommendation 7 (that all institutions conduct the current GDS, CEQ and ASSE surveys) and looks forward to involvement in discussions on how these surveys are best administered and reported to ensure useful comparability, taking account of the needs of private providers to have accesses to comparable funding and practical support for implementation of data collection and analysis requirements as has been made available for this purpose to public institutions including universities and TAFE.

With regard to the proposed new regulatory framework, ACPET agrees with the Panel objective that regulatory arrangements contribute to creating a ‘more flexible and responsive tertiary and training system’ [p116]. To this end, as the Panel notes, it is vital standards be developed and applied in a manner that acknowledges provider, student and course differences, and the need to tailor approaches to student cohorts to achieve expected learning outcomes. Risk of ‘regulated uniformity’ needs to be kept in mind during standards development and implementation. ACPET’s submission provides examples.

It is also noted that while the Report provides strong analysis on education quality, the Panel’s repeated stress on research and research tests raises questions about underlying priorities. In our July submission, ACPET argued that ‘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. This primary purpose needs to be squarely recognised in this Review, and success in achieving this purpose needs to be adjudicated objectively.’ ACPET raises issues with the research tests below.

ACPET agrees with the proposed independent national regulatory body responsible for regulating all forms of tertiary education [r.19. r20]. To facilitate strong performance of ‘the foreshadowed larger, more diverse, demand-driven system’, it is vital that this body develops its role on a high plane, harnessing the best of Federal, State and VET processes plus overseas models at the frontlines of educational development (these might not be OECD systems or university traditions). The body needs to be open to enterprise among public and private institutions. It is suggested that the Government looks past perspectives such as: ‘To win the confidence of the sector, the new body must comprise eminent people who are deeply familiar with universities’.
The new regulatory body also needs to be able to understand and evenly apply COAG best practice regulation and competition principles to benefit the economy, students, other key stakeholders, the vibrant range of public, independent and commercial education institutions, and universities in their public and increasingly commercial activities. ACPET raises and details a range of regulatory issues in its 2008 submission.

c) International education coordination and rules

As the Report notes, Australia has ‘established a considerable presence in international higher education’, with education now Australia’s third largest export industry. 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. 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 [ACPET submission p11].

ACPET agrees with recommendation 11 on moving regulatory and management functions of Australian Education International (AEI) to the new national regulatory body. Immigration and ESOS regulations would be usefully reviewed by the new body with consultation.

ACPET also agrees with recommendation 12 on revising AEI industry development and moving these to a new agency, noting that the agency would be publicly funded and should develop international education markets for all current and potential Australian providers.³

ACPET questions, however, the basis for the Panel’s cautions on seeming ‘narrowness of the international student cohort in terms of country of origin, field of study and level of study’. The Asian region is a diversity of cultures and economies. Given proximity, it is not surprising that 80% of students come from that region and then interact with each other and Australians. That ‘over half’ is studying commerce and management should not be a concern – these are sustainable study areas; assuming Australian institutions harness world research and scholarship in courses, and use frontline delivery techniques. These students are potential entrepreneurs, managers and business workers if they stay in Australia. Further, nearly 50% of students are studying other courses. The mix of 58% undergraduate and 28% masters also appears logical, although ACPET recognises national advantages in encouraging international higher degree students.

³ ACPET regularly provides inputs and submissions in relation to Migration Policy and operation of ESOS regulatory arrangements, and would look to be fully involved in reviews associated with these changes. In July 2008, ACPET provided a response to the review of key activities undertaken by the DEEWR International Education Group and Offshore Network, with a number of considered recommendations.
**d) Reforms to student support system**

ACPET agrees that public living support for students has needed close review, and the Panel presents a strong analysis and recommendations. The imperative of lifting Australia’s education, skill and capacity levels across the board (with particular focus on groups alienated by current arrangements), is clear.

These national objectives will be well-served by recommendations 5 and 6, coupled with the student-demand led funding proposals and arrangements for equivalent public support to students looking to learn through various types of institutions.

**e) Demand-driven education entitlement for domestic students**

The Panel recommends positive and logical changes to attune public funding to student demand and to encourage wider entry and ongoing learning across the tertiary education system.

The Panel’s analysis of the issues around student-centred funding is thorough and ACPET supports the principles for a new financing system for the next decade [recommendation 25], including the element of performance reward on achieving education outcomes with students in courses supported by public funds. ACPET provides comments below on the quantum of government funding.

ACPET commends and agrees with the key ‘characteristics of a demand-driven entitlement model’ as set out on page 157, and with institutions having the option of designating a course as in receipt of Commonwealth subsidy with fee caps, or otherwise [p165, r34].

**However, ACPET has major concerns with the proposition that ‘initially only public universities (Table A) would be recognised for this purpose’, with extension ‘to other approved providers when new regulatory arrangements are in place’ [p157].**

Once public universities, as the larger group, have started on the new course-student funding system, the impetus will slow and it could be 2-3 years before new regulatory arrangements are settled. In this period, current universities could lift their intake of subsidised students in direct competition with private institutions by using existing courses or (noting that self-accrediting institutions can move quickly to approve courses for themselves) some could introduce new subsidised programs that compete directly with specialised private education institutions. This could undo a decade of competitive innovation in Australian higher education and slow competitive innovation course development for students and employers across wider fields.

**ACPET stresses it is vital and fair that the demand-driven model start at the same time for all types of institutions – public universities, independent, TAFE or other – in 2010, or in 2011 if regulatory arrangements take that long.**
As part of achieving education programs that are more responsive to student demand, the Panel recommends all providers, including universities, be able to ‘offer courses on a full-fee basis where public subsidies are not received for any students in that particular course’ [r.35]. However, the Panel continues to differentiate between income-contingent loans for students in subsidised courses and those not subsidised.

**ACPET strongly disagrees with the Panel’s recommendation [r.37] ‘to increase the loan fee for FEE-HELP for fee-paying undergraduate students to 25 per cent’.** ACPET considers that such differences in loan schemes is a disincentive (as does the Panel noting its OS-HELP position) and will limit student access to the full range of courses and providers available. ACPET supports the need for further financial modeling before recommendations can be put forward on this issue.

ACPET agrees with the panel that there are ‘significant anomalies and inconsistencies in the fee-charging arrangements across the sector which need to be addressed... and that the complexity and inconsistency of the arrangements is apparent’ [p164]. The Panel acknowledges that ‘the different arrangements create different levels of potential subsidy or benefit’ [p167].

The way the HELP loans schemes are currently structured discriminates against selected students. For instance, a student who gains a government subsidised place and takes a HECS-HELP loan is not charged the loan fee and a student who studies a post-graduate course and takes a FEE-HELP loan does not pay the loan fee compared to a full-fee student enrolled in an undergraduate course who takes a FEE-HELP loan and will pay a 20% loan fee (recommended to increase to 25% in the Bradley Report). A student taking an OS-HELP loan is also subject to the loan fee however Bradley advocates the removal of the loan fee for this category of HELP loan.

The question remains – why is one category of student (full-fee undergraduate) subject to the loan fee while other students are not (notably full-fee paying postgraduate students).

There are clear anomalies and the recommended increase from 20% to 25% for the loan fee for a particular category of students only seeks to exacerbate this problem. ACPET is concerned that this proposed increase in the loan fee may also impact on VET FEE-HELP loans. Questions, about why students studying a postgraduate qualification with a VET provider pay the loan fee while those studying with a higher education provider do not, must be answered.

ACPET highlights that the Panel itself is uncertain in making recommendations about these arrangements based on statements that ‘...the undergraduate loan fee may not adequately cover the subsidies provided...” [p168]. This lack of certainty from the Panel supports ACPET’s position that further financial modelling is required before any action takes place.
If the Australian Government increased the loan fee for FEE-HELP for fee-paying undergraduate students to 25 per cent, then the previous and ongoing work to develop competitive neutrality and a level playing field will be severely disrupted - students will be penalised for their choice. The need to develop a demand-driven, student-entitlement model of funding higher education teaching must be paramount.

Just as there is a need to develop a consistent basis for fee-charging across all higher education providers, there is also the same need to remove the variance between the conditions between different types of loans and students. This approach will, as the Panel states:

‘Give students stronger incentives to participate and provide institutions with the flexibility to decide the courses they will offer and the number of students they will admit.’ [p155].

ACPET, representing many education institutions servicing current and future students, needs to also raise issues with parts of the Higher Education Review Final Report.

f) Increased funding as the only option considered

The Panel recommends [r 8, r26] that the Australian Government sizeably increase direct funding, mainly to universities and that this is indexed primarily to professional salaries [r27].

ACPET is closely attuned with the realities of Australia’s economy now and looking forward, and with the education, health, defence, welfare and other development demands on public funds. In its 2008 submission, as a contribution to general considerations, ACPET suggested [p36]:

- it is important this Review examine funding models as alternatives to current arrangements – without assuming an overall increase in government inputs; and

- there appears room for efficiencies in operation of public university including staffing arrangements and facilities. Private entities could provide useful models.

ACPET finds it disappointing that those financial options were not considered by the Review Panel and that recommendations have not been ranked against possibly available funds. It would be realistic and responsible to assess priorities if funding stays as now. It is indicative that, in the Intergenerational Report 2007, Treasury works on a flat government expenditure on all education of 1.8% of GDP from 2006 to 2047 (1.7% ~2016) in the context of other rising demands, mainly for health. Australia may also be underestimating future health needs and expectations.4

4 Gary Banks, Health costs and policy in an ageing Australia, Health Policy Oration ANU 26 June 2008.
Cost structures and priorities of public universities should come into question, as occurs in all industries and organisations. The HER Report itself opens questions about priorities, with indications of universities deciding to divert funds from teaching, their primary role, to research. The extensive facilities and sweeping lawns of a traditional university campus are also expensive structures, and usage is skewed to staff and students in a position to enjoy ‘the full university experience’. However, large numbers now learn electronically with little time on campus. Others learn through private institutions and TAFEs and study in more modest surrounds.

**Business models developed by commercial institutions are advancing the learning, skills and capacity development of important numbers of students.** Particular features include:

- maximising use and learning returns from facilities through careful investment, planning, examining options and benefits, and full usage through trimester or continuous study;
- giving priority to strong scholarship behind learning programs and materials, drawing on national and international research and discipline development, plus scholarship of teaching and advances in delivery and assessment techniques, plus support for students; and
- accountability to students and their families, Australian and international. Ongoing business depends on the delivery of high quality products and services year after year.

**g) Accreditation, universities and research**

The Panel is opaque about what structural change it is trying to achieve in recommendation 22 on ‘tightening’ criteria for a university and their further tests that ‘funds for research and research training are directed only to those higher education institutions which are accredited and have appropriately qualified and suitable researchers and the capability to achieve an acceptable return on public investment’ [r40]. Possibly, the Panel is acknowledging costs of research as an embedded element of the public university academic arrangements and wants to rationalise this. Overall, the Panel seeks a ‘more competitive and dynamic’ system [p163].

ACPET considers the proposed accreditation changes need careful review from at least two perspectives – firstly, the basis and genuine achievability of the stated aim, and secondly, scenarios of what might unfold. The Panel has identified situations where policy decisions have led to ‘unintended consequences’ and in today’s fast moving international education world, further unintended consequences might not be readily undone.

For reasons discussed below, **ACPET strongly recommends the Australian Government:**

- not pursue the HER recommendation 22, unless the Government’s intention is to fully and quickly implement the tests to the extent indicated by the Panel, and to deal with effects such as outlined in Scenario A below; and
assess reformulating the National Protocols to use strength of scholarship and its application as the primary test for accreditation as ‘specialist universities’ and for ‘university colleges’.

The Panel’s stated basis for the accreditation and research propositions is that Australian universities are distinctive because ‘teaching within them is informed by research to develop or apply new knowledge’ [p123]. This statement is applicable to teaching all over the world. On page 116, the Panel elaborates in stating that ‘universities [should] carry out research in the fields in which they teach so that they can contribute fully to the knowledge economy and produce graduates who embody the distinctive value of teaching that is informed by research’.

This implies a system in which academics are strong researchers and their findings and procedures are directly inculcated into courses they teach, with advantages all round.

However, unlike other parts of the report, the Panel’s views are not well evidenced. The Panel does not delve into debate about the research–education nexus. ‘Distinctive value of teaching that is informed by research’ is not explained, and how this becomes embodied in all graduates of some institutions is not discussed. Models for a spectrum of universities, say in the USA, are not reviewed.

The Panel proposes a tighter research-based test for university status, even though the Panel’s criteria in Table 12 do not require active, quality research across all broad and narrow fields of a comprehensive Australian university. A comprehensive university could offer programs in say, seven broad fields but need to pass the research test in only three fields, and these could relate to a minority of that university’s undergraduate students.

It is also known that at “any point in time in any university a significant proportion of academic staff are not actively engaged in research” [DP p45] and this can apply to whole schools or branches. It follows, that the teaching developed and delivered in these academic areas must be being informed by considered scholarship of world research – as it should be.

The contention that “there is an essential nexus between university teaching and research” [DP p46] is also diminished by changing characteristics of many educationally effective university operations. These include distance learning with limited teacher interaction, teaching-only satellite sites, non-researching staff as busy teachers and industry or occasional staff teaching in universities. All these features can be positives for student learning and for lifting population education levels.

And where an academic is an active researcher, the research commitment can detract from fulfilling today’s teaching needs and expectations in terms of time, attention and professional responsiveness to student differences.⁵

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Further, there is a need to acknowledge (as the ARC’s ERA process is doing) that many Australian and overseas academics are not leaders in their field and ‘research’ can be quite ordinary and may not inform teaching positively. In addition, while an academic’s research is often very particular their teaching especially at undergraduate levels is general. The great majority of university course preparation and teaching must and should be based on scholarship – i.e. on reviews of the research done by many others.

**These realities call into question the Australian positioning of research, as distinct from high scholarship, as the basic test of a university’s educational purpose** (as well as the Panel’s recommendations for more restrictive delineation).

**A measure of ‘excellence in and application of scholarship’ would be a more relevant and honest test for Australian university categorisation and potentially more important in terms of quality and strength of education outcomes.**

ACPET argued this in 2008 and the logic is reinforced on reading the Panel’s proposed changes.

In globally-focussed education institutions of distinctive mission⁶, courses and teaching should be informed by the top levels of world and Australian research – through the investigative scholarship needed to bring this together into teaching and learning packages that are tailored for student cohorts, their learning styles, and student, employer and national contexts.

From an education perspective, as well-experienced across Australia in universities and other institutions, this scholarship-based model can and does achieve effective knowledge collation and dissemination. Strong learning outcomes will be produced in the hands of a committed teacher. It can inspire student curiosity, original thinking, personal and team research to solve problems, and frontline understanding of the width of research activity and perspectives across the world, as well as build individual capacity ‘to think flexibly or act intelligently in situations which may not previously have been experienced’. [HER report p6]

Business students, for instance, are studying and learning on the basis of a distillation of world research (by many people, not just in universities, and of which Australian research is a small part) is beneficial to the students and Australia nationally. This model is also seen successfully operating in other fields, across many universities and other educational institutions.

**ACPET puts forward two scenarios on how ‘university criteria’ effects could unfold.** Scenario A sees robust implementation of the Panel’s set of research-based tests, and Scenario B is a more probable partial implementation.

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Scenario A is ‘full implementation of tightened research-based tests for university accreditation and reaccreditation’. As intimated by the Panel [pp125, 127] some current Australian universities delivering education programs to Australians and the international marketplace, would be unlikely to meet the broad and narrow field criteria and research intensity tests if applied as the Panel intends.

The word ‘some’ seems a potential understatement. The Discussion Paper included a 2002 graph from ABS data showing a year’s research expenditure by 30 universities. The data demonstrates a great range in research expenditure and activity. Notably:

- research expenditure by each of the top four universities was about 25 times that of university number 30; and
- twenty one (21) universities had research expenditure less than about 15% of the top four, and sixteen (16) were less than about 10%. At the time these were JCU, VU, CDU, ECU, CSU, USQ, plus eight not on the graph (CQU, USC, SCU, UB, UC, BU, ACU, ND).

University size will affect intensity but these research expenditure ranges are stark indicators. The Panel’s test for breadth and depth of active research would then need to be applied. This, coupled with advance of some universities over others, could place more universities in the questionable research area (such as UWS, UNE, USA, Swinburne), including some pre-1988 entities.

The Panel considers ‘it is in the country’s best interests to insist that the generally accepted definition of a high-quality university education is enforced through the regulatory system’ [p125]. If such tighter tests were to be enforced as urged, then the Panel’s recommendations would usher in substantial structural change to the Australian university picture – with perhaps 15 not being reaccredited as universities and so continuing their education paths as, say colleges.

The question of whether this argument is ‘in the country’s best interests’ needs to be reviewed from a national, rather than a university perspective. The purported benefits (and beneficiaries including particular groups of students and staff) of tightly limiting use of the university title should be weighed against potential losses. In assessing this balance, world practices need to be taken into account, noting that tertiary education is Australian’s third largest export industry in increasingly competitive markets. As ACPET noted in 2008:

> 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.

ACPET argued in its 2008 submission [p34] that:

> Australia is doing itself a disservice by setting up barriers to innovative education providers entering the university field, with scholarship to the fore.
Scenario B is that ‘proposed new regulatory protocols on universities are implemented partially and slowly’. In this pragmatic scenario, the Panel’s proposed tests are incorporated into legislation and into protocols, but in the face of sensitivities, all current universities are either found to meet the research tests or hard decisions to disaccredit are not implemented.

This is an anti-competitive and protective scenario.

The new tests will be enacted but not applied, except to newcomers looking to enter the field. Current universities will continue as before and the supposed benefits of full implementation of the proposed tests will certainly not be achieved.

There are now a number of innovative Australian enterprises developing and delivering courses in the same manner as a number of the institutions still in the ‘university category’ to similar groups of domestic and international students. However, the even higher research test will bar these innovators from utilising the university title in positioning and marketing, to potential national disadvantage (as discussed in Scenario A).

Enacting the Panel’s proposed legislative changes, and then allowing time, say five years, for current universities to undertake ‘significant internal restructuring, or mergers’ [p127] would also be an anti-competitive situation. Higher tests would be operating for new entrants (as would start to occur as soon as the change intention was announced) than current universities, whether research intensive or on the tail end of research activity.

A slow implementation would also likely increase national costs by taking resources from the need to rapidly increase education levels across the population, because, as observed recently, “… existing universities will do whatever it takes, and spend whatever it costs, to keep their title”.7

In summary, ACPET questions a number of assumptions underlying the Panel’s proposed changes to the tests for university status. The changes which may unfold as outlined in Scenarios A and B, include potential anti-competitive and anti-innovation effects, plus opportunity costs of not moving to widen Australian university title usage at this pivotal time for international education development.

h) Eligibility for public funding

The Panel’s recommendation 40 (leaving aside research tests) would be generally supported and ACPET agrees with the Panel’s finding of ‘lack of transparency in the criteria used to determine access to Commonwealth funding for learning and teaching’ and in other areas.

ACPET considers that:

- arrangements for higher education resourcing should be better aligned with Australia’s open economy, innovation, competition, productivity and enterprise objectives;

- certainly, Australian government criteria for access to funding and assistance should reflect ‘the public nature of the purposes for which funding is provided’ but this should not be construed as drawing a line between public and independent / commercial entities. In many other industries and sectors, including schools, enterprising businesses have access to government funded programs of various types;

- all approved HE institutions should be able to access competitive development and program improvement grants, including for teaching and learning advances, new course development and for opening access. Public accountability would apply; and

- from a national efficiency perspective, for the benefit of students and consistent with level-playing field and competitive neutrality policies, the Australian Government should seek close examination of common use of facilities into which public funds have been channelled through single universities or consortia.

An important advance, for example, would be a national electronic knowledge library equally available to all students in Australia, whichever their education provider, through public access to a facility such as AARNet [www.aarnet.edu.au].

5. CONCLUSION

Thank you for the opportunity for ACPET to present this further analysis for your consideration. The Higher Education Review has addressed a number of key issues and has made strong recommendations but there are also important aspects that significantly concern ACPET and member education institutions.

ACPET would be pleased to enter into further discussions on any of these points and looks forward to being involved in working groups and panels to progress this review forward.