



Australian Government

# Review of the Higher Education Provider Category Standards

**DISCUSSION PAPER**

**DECEMBER 2018**

## Discussion paper

© Commonwealth of Australia 2018

ISBN 978-1-76051-608-6 (PDF)

ISBN 978-1-76051-609-3 (DOCX)



Any material protected by a trademark and where otherwise noted all material presented in this document is provided under a Creative Commons Attribution 4.0 International licence.

The details of the relevant licence conditions are available on the Creative Commons website (<https://creativecommons.org/licenses/by/4.0/>) as is the full legal code (<https://creativecommons.org/licenses/by/4.0/legalcode>)

As far as practicable, material for which the copyright is owned by a third party will be clearly labelled. All reasonable efforts have been made to ensure that this material has been reproduced in this document with the full consent of the copyright owners.

Copyright requests and enquiries concerning further authorisation should be addressed to:

The Copyright Officer, Department of Education and Training, Location code C50MA10  
GPO Box 9880 Canberra ACT 2601 or emailed to [copyright@education.gov.au](mailto:copyright@education.gov.au).

Where a copyright owner other than the Commonwealth is identified with respect to this material, please contact that third party copyright owner directly to seek permission.

## Disclaimer

As this is an independent review, the discussion paper does not necessarily reflect the views of the Australian Government.

This document must be attributed as the *Review of the Higher Education Provider Category Standards – Discussion Paper*.

## Reviewer

Emeritus Professor Peter Coaldrake AO

## For the Higher Education Standards Panel

Professor Ian O'Connor AC (Chair)

Professor Kerri-Lee Krause (Deputy Chair)

The Hon Phil Honeywood

Dr Krystal Evans

Dr Don Owers AM

Dr Sadie Heckenberg

Ms Adrienne Nieuwenhuis

Professor Kent Anderson

# Contents

<b>Contents</b>	<b>1</b>
<b>List of Acronyms and Abbreviations</b>	<b>2</b>
<b>Purpose</b>	<b>3</b>
Terms of Reference	5
<b>Context</b>	<b>6</b>
What are the PCS?	6
Historical context	7
Shape of the current system	8
Funding	9
<b>Considerations</b>	<b>11</b>
Australia's conceptualisation of a 'university'	11
International comparison	11
Teaching-research nexus and rethinking the research requirement	12
Signalling differentiation	13
Optimising the PCS	14
Progression categories	14
'Greenfield' universities	15
Overseas universities	15
Criteria for self-accreditation	15
Quantity and quality of research	16
<b>Submissions</b>	<b>17</b>
Discussion questions	17
Making a submission	17

# List of Acronyms and Abbreviations

<b>AQF</b>	Australian Qualifications Framework
<b>Bradley Review</b>	Review of Australian Higher Education 2008
<b>CSP</b>	Commonwealth Supported Place
<b>CGS</b>	Commonwealth Grant Scheme
<b>HELP</b>	Higher Education Loan Program
<b>HESA</b>	Higher Education Support Act 2003
<b>HESP</b>	Higher Education Standards Panel
<b>National Protocols</b>	National Protocols for Higher Education Approval Processes
<b>PCS</b>	Higher Education Provider Category Standards
<b>SAA</b>	Self-Accrediting Authority
<b>TEQSA</b>	Tertiary Education Quality and Standards Agency
<b>Threshold Standards</b>	Higher Education Standards Framework (Threshold Standards) 2015
<b>VET</b>	Vocational Education and Training

# Purpose

The 2017–18 Commonwealth Budget included a measure for the Higher Education Standards Panel (HESP) to oversee a review of the Higher Education Provider Category Standards (PCS).

On 17 October 2018, the Hon Dan Tehan MP, Minister for Education, announced the appointment of Emeritus Professor Peter Coaldrake AO to undertake this review with oversight from the HESP.

The PCS describe different categories of higher education providers, and requirements expected of them, for registration by the Tertiary Education Quality and Standards Agency (TEQSA). The PCS are part of the *Higher Education Standards Framework (Threshold Standards) 2015* which sets the high standards required to operate as a ‘higher education provider’ or ‘university’ in Australia.<sup>1</sup> The PCS fulfil a range of functions.



Australia’s model for categorisation of higher education has remained fundamentally unchanged for almost twenty years. Over this period, the higher education system itself has experienced significant transformation.

Demand for higher education has dramatically increased as Australia and other countries across the world transition from industrial to knowledge-based economies. Access and participation in higher education has rapidly expanded through developments in technology, innovative approaches to delivery, and globally mobile and connected students, academics and researchers. Student cohorts are more diverse with different learning backgrounds and needs, motivations and aspirations for learning, and expectations of higher education providers. New types of higher education providers and institutional partnerships have also emerged, such as those primarily offering pathways to second or later year entry to university, dual sector institutions, and providers with a significant focus on online delivery. Indeed, Australia’s higher education sector is reflective of the complex world around it – a world increasingly looking to it for solutions.

<sup>1</sup> Note that four standards (Provider Registration Standards, Provider Category Standards, Provider Course Accreditation Standards and Qualifications Standards) are part of the Threshold Standards.

Australia's higher education sector has established a reputation as an education leader globally. International education has become Australia's third largest export and largest service export, now estimated to be worth more than \$32 billion annually to the Australian economy and supporting more than 240,000 jobs across Australia. The most recent International Student Survey (2016) indicated 94 per cent of international students selected Australia as a study destination because of the reputation of Australia's strong education system and the reputation of its courses.<sup>2</sup>

The higher education sector will need to continue to innovate in order to respond to emerging needs and challenges brought about by globalisation, international mobility, technological advancements, demographic shifts, the changing nature of work, continued massification of higher education, and increasing competition in international education.

Australia is positioned well by a strong and dynamic higher education system. The PCS, as part of the Threshold Standards, have helped set requirements for the quality higher education system that exists today. Australia could continue to operate under the existing PCS. However, the sector is not static and nor therefore should be its PCS. It is important that Australia consider how it wants the PCS to support a quality higher education sector for the future. This review provides an opportunity to reflect on the current usage of the PCS and pivot, if required, to best capitalise on the strengths of an evolving sector. As such, this is an opportunity to consider the PCS through a contemporary and critical lens, to ensure they are fit for purpose against Australia's changing higher education landscape, comparable to international benchmarks, and accommodating to innovative and changing practice.

There are some big considerations to explore, some of which are set out in this discussion paper. These include the way in which Australia continues to define its higher education providers and universities, signals differentiation across the sector, and optimises the PCS to best meet student, industry, regulator and government need.

It is important to note that this review will not seek to reframe the Australian tertiary system and its broader policy and regulation. Rather, it will examine a discrete and important part of the Threshold Standards – Part B – to ensure that the PCS remain an effective framework for higher education delivery in Australia.<sup>3</sup> Importantly, Part B also sets out criteria for providers seeking authority from TEQSA for self-accreditation of some or all of their courses of study. These links to the PCS will be examined as part of this review.

This PCS review is being conducted alongside a review of the Australian Qualifications Framework (AQF), led by Professor Peter Noonan.<sup>4</sup> The AQF identifies criteria for senior secondary school, vocational education and training (VET) and higher education qualifications across a nationally recognised structure comprising ten levels. The AQF review aims to position the AQF for the future as a flexible and responsive instrument describing Australian qualifications and reflecting international best practice. That review will consider how to incorporate new and emerging qualification types such as micro-credentials into the AQF, whether and how to incorporate 'future' skills into the AQF, and how to better facilitate pathways for students between VET and higher education.

---

<sup>2</sup> Australian Government Department of Education and Training (2017) *2016 International Student Survey Results*.

<sup>3</sup> Part B of the Threshold Standards is available at [www.legislation.gov.au/Details/F2015L01639/Html/Text#\\_Toc428368878](http://www.legislation.gov.au/Details/F2015L01639/Html/Text#_Toc428368878)

<sup>4</sup> For more information on the AQF review, visit [www.education.gov.au/australian-qualifications-framework-review-0](http://www.education.gov.au/australian-qualifications-framework-review-0)

With higher education providers under the PCS offering qualifications from Level 5 (Diploma) through to Level 10 (Doctoral Degree), there is appreciation of provider interests and potential synergies between the PCS and AQF reviews. The lead reviewers are therefore conscious of ensuring coordination and alignment of the two reviews.

The final PCS review report is expected to be submitted to the Australian Government in the second half of 2019.

## Terms of Reference

The review of the PCS will:

- a) Assess the effectiveness of the current PCS as a framework for higher education delivery
- b) Identify any technical or other relatively minor changes that should be made in the short-term to improve the operation or effectiveness of the current PCS
- c) Analyse a range of possible different systems for the categorisation of higher education institutions, drawing on international experience and recent critical analysis including:
  1. the key characteristics that are or would be relevant to defining the various categories of provider within each categorisation framework canvassed
  2. the benefits and drawbacks of each approach for students, for higher education providers, other tertiary education providers, regulators, governments and the broader economy
  3. the impact of adopting different institutional categories, for example:
    - The potential for diversity of providers and student populations in each system
    - Appropriate barriers to and facilitation of new provider entry
    - Change management and transitional issues that would need to be taken into account in moving to a new approach
- d) Outline realistic and practical options that could be considered for adoption if a revised approach to categorising higher education providers in the Australian context were deemed to be warranted
- e) Make recommendations as to:
  1. the most appropriate categorisation system for Australian higher education delivery and
  2. criteria settings within each of the recommended provider categories.

Stakeholders will be consulted as part of the review.

# Context

## What are the PCS?

The PCS are part of Australia's national quality assurance framework and are set out in *Part B: Criteria for Higher Education Providers* of the Threshold Standards. They classify the types of education providers that can be registered by the national higher education regulator TEQSA to deliver higher education in Australia.

The PCS reflect and formalise key elements of differentiation in Australia's higher education sector, particularly the distinctions between providers that may label themselves as a 'University' or non-university 'Higher Education Provider'.

All providers of higher education that gain registration by TEQSA through meeting the Threshold Standards become a 'Higher Education Provider'. This title signals to the public that they are a provider of quality higher education in Australia. Those that meet additional criteria in research, scholarship and community engagement may seek approval from TEQSA to be registered in one of the university categories.

There are six categories under the PCS, which define the expectations by provider type.

Provider category	Criteria overview
<b>Higher Education Provider</b>	Must be an institution (Australian or overseas) offering at least one accredited higher education qualification course in Australia. These institutions are generally not self-accrediting and do not need to be engaged in research within their fields of teaching. They can apply for authority to self-accredit some or all of their courses.
<b>Australian University</b>	Must meet the requirements of the 'Higher Education Provider' category, be self-accrediting and deliver undergraduate and postgraduate courses of study that meet the Higher Education Standards Framework across a range of broad fields of study, including Masters Degrees (Research) and Doctoral Degrees (Research) in at least three of the broad fields of study it offers.
<b>Australian University College</b>	A provisional category for institutions with realistic plans to meet the criteria for an 'Australian University' or 'Australian University of Specialisation' within five years.
<b>Australian University of Specialisation</b>	Must fulfil the same requirements as an 'Australian University', but are only required to offer qualifications and conduct research within one or two broad fields.
<b>Overseas University</b>	Must be recognised as a university by its home country and meet criteria equivalent to the 'Australian University' category.
<b>Overseas University of Specialisation</b>	Must be recognised as a university by its home country and meet criteria equivalent to the 'Australian University of Specialisation' category.



## Historical context

The PCS are based on the *National Protocols for Higher Education Approval Processes* (National Protocols) which were first adopted by State and Territory governments in 2000, and updated in 2007. The National Protocols were used by States and Territories for the regulation and accreditation of higher education up until the establishment of TEQSA in 2011.

The development of the National Protocols followed the attempt by new entrants of uncertain quality to operate in Australia, and the interest in protecting the reputation of Australian higher education and its established public universities. In particular, the short-lived and controversial establishment of Greenwich University as a distance educator in Norfolk Island in the late 1990s highlighted the absence of an agreed national approach to higher education approvals and protection of the term 'university'. The National Protocols were designed to ensure consistent criteria and standards across Australia for the recognition of new universities, the operation of overseas higher education institutions in Australia, and the accreditation of higher education courses to be offered by non self-accrediting providers. Around the same time, the Government amended the *Corporations Regulations 2001* to protect the title 'university' in Australia.

In 2008, the Australian Government initiated a Review of Australian Higher Education (Bradley Review) to consider the future direction of the higher education sector. A key recommendation was a focus on ensuring the quality of the higher education sector and the education it delivers. It noted that in a period of expansion, when higher education providers are attracting students who have not traditionally considered going to university and student pathways are linked to funding, higher education providers will be required to demonstrate that their graduates have the capabilities that are required for successful engagement in today's complex world. It also identified that Australia must enhance its capacity to demonstrate outcomes and appropriate standards in higher education if it is to remain internationally competitive. It called for the development of clear and strong standards which can be applied across the sector in order to establish objective and comparative benchmarks of quality and performance.<sup>5</sup>

Consequently, the Bradley Review recommended the establishment of a national quality assurance and regulatory agency which would be supported by the adoption of a new framework for higher education accreditation, quality assurance and regulation. In 2009, the Government announced the establishment of TEQSA as a single national regulatory and quality assurance agency for higher education.

With the establishment of TEQSA came new Threshold Standards that were tabled in Parliament in 2011. These initial Threshold Standards were largely based on the National Protocols that were already in existence at the time and included the PCS we know today. The *Tertiary Education Quality and Standards Agency Act 2011* also established the HESP to advise and make recommendations to the Minister for Education on making and varying the Threshold Standards. The HESP's first task, as set out in the legislation, was to undertake a thorough review of the Threshold Standards to ensure they were fit for purpose.

---

<sup>5</sup> Detail from the *Explanatory Statement Tertiary Education Quality and Standards Agency Act 2011*, Higher Education Standards Framework (Threshold Standards).

Between 2012 and 2014, the HESP reviewed the Threshold Standards and a revised legislative instrument was tabled in Parliament in October 2015. The new standards took effect from 1 January 2017. It is important to note that the PCS element of the Threshold Standards were not included in this review. The HESP concluded that provider categorisation is as much a matter of public policy as it is of standards for higher education and, as such, necessitated a separate piece of work. That examination is the focus of this PCS review.

## Shape of the current system

Australia's higher education sector currently comprises 170 TEQSA registered providers.

Provider category	SAA*	Non-SAA	Total providers	Student numbers
Higher Education Provider	12	115	127	132,951 <sup>^</sup>
Australian University	40	0	40	1,206,415 <sup>**</sup>
Australian University College	0	0	0	0
Australian University of Specialisation	1	0	1	1,279 <sup>**</sup>
Overseas University	2	0	2	183 <sup>**</sup>
Overseas University of Specialisation	0	0	0	0
<b>Total</b>	<b>55</b>	<b>115</b>	<b>170</b>	<b>1,340,828</b>

Source: TEQSA National Register summary table (accessed 03/12/2018 from [www.teqsa.gov.au/national-register](http://www.teqsa.gov.au/national-register))

\*SAA = Self-Accrediting Authority (a provider can self-accredit some or all of its courses)

\*\*Student numbers equates to a headcount of all students, 2017 reference year (Source: Department of Education and Training Higher Education Statistics 2017)

<sup>^</sup> As of 2018, there are 127 providers registered by TEQSA in the 'Higher Education Provider' category, however, the student numbers for this category are based on latest available data from the 133 providers active in 2016 (Source: TEQSA (2018) *Statistics Report on TEQSA Registered Higher Education Providers*).

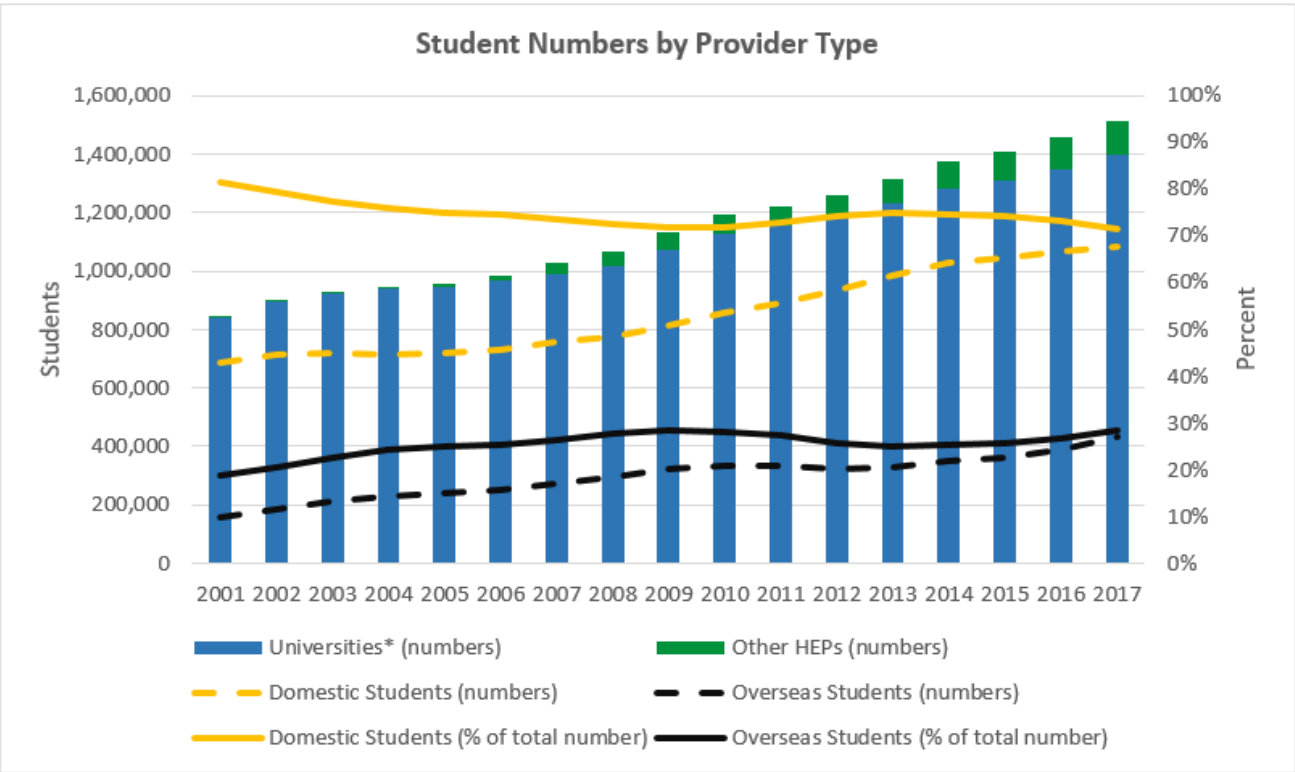
'University' category providers include:

- 37 public universities
- 2 private not-for-profit universities (Bond University and University of Notre Dame Australia)
- 1 for-profit university (Torrens University)
- 1 registered as an 'Australian University of Specialisation' (University of Divinity)
- 2 registered as an 'Overseas University' (Carnegie Mellon University and University College London, although the latter no longer has a dedicated campus nor offers courses in Australia)
- no institutions registered under the 'Australian University College' and the 'Overseas University of Specialisation' categories.

Non-university 'Higher Education Providers' include:

- not-for-profit providers including some Government semi-autonomous bodies
- for-profit stand-alone proprietary limited companies, sometimes with related VET provider companies, or that provide VET programs from the same (dual sector) company
- for-profit proprietary companies that are subsidiaries of a wider corporate group (either Australian or overseas-owned)
- faith-based colleges, some of which are standalone and others affiliated in a consortium
- online-only providers
- providers that specialise in one or more fields of education and providers that have multiple fields of education
- providers that offer established diploma or foundational course pathways into degrees at a single university, or multiple universities.

Australia’s higher education sector has experienced significant growth since the inception of the National Protocols in 2000, driven by increased demand for higher education by domestic and overseas students.



\* Includes Table A, B and C providers under HESA (refer Funding section below).

### Funding

The majority of higher education funding is administered under the *Higher Education Support Act 2003* (HESA). Under HESA, providers are listed under Tables A, B and C:

- Table A – Australian public universities and Bachelor Institute of Indigenous Tertiary Education
- Table B – four Australian private universities (Bond University, University of Notre Dame Australia, MCD University of Divinity, and Torrens University)
- Table C – Carnegie Mellon University and University College London (registered by TEQSA in the ‘Overseas University’ category).

Funding set out under HESA includes:

- the Commonwealth Grant Scheme (CGS) – through which the Australian Government subsidises tuition costs for domestic higher education students via Commonwealth supported places (CSPs). Table A universities are able to enrol as many domestic students in bachelor-level CSPs as they wish, except for medicine courses. Under current policy, CGS funding for these students is capped, but it was previously demand-driven. Universities continue to receive student contributions for every Commonwealth supported student enrolled. Table A universities are also allocated a certain number of postgraduate and sub-bachelor CSPs. Non-Table A providers are funded for CSPs based on allocations by the Australian Government. While funding is provided primarily to support the teaching of students, the Government does not prescribe how CGS funding must be spent by universities.
- the Higher Education Loan Program (HELP) – which provides income contingent loans to help students meet their study costs through higher education providers approved under HESA, such as FEE-HELP.
- Research block grants – which provide block funding to eligible Australian higher education providers for research and research training. Table A and B providers are eligible for research block grants on a calendar year basis using program-specific formulae that reward the performance of providers in attracting research income and the successful completion of higher degrees by research.

Provider category	Total number of providers in provider category <sup>^</sup>	Number of providers that currently access CGS <sup>*</sup>	Number of providers that currently access FEE-HELP <sup>^^</sup>	Number of providers that currently access research block grants <sup>**</sup>
Higher Education Provider	127	6	94	1
Australian University	40	38	40	40
Australian University College	0	0	0	0
Australian University of Specialisation	1	0	1	1
Overseas University	2	0	2	0
Overseas University of Specialisation	0	0	0	0

<sup>^</sup> Source: TEQSA National Register summary table (accessed 03/12/2018 from [www.teqsa.gov.au/national-register](http://www.teqsa.gov.au/national-register)).

<sup>\*</sup> Sources: *Higher Education Support Act 2003*, *Commonwealth Grant Scheme guidelines 2012* and Department of Education and Training.

<sup>^^</sup> Sources: *Higher Education Support Act 2003* and Department of Education and Training.

<sup>\*\*</sup> Sources: *Higher Education Support Act 2003*, *Other Grants Guidelines (Research) 2017*, *Commonwealth Scholarships Guidelines (Research) 2017* and Department of Education and Training.

While the PCS have no direct relationship to Commonwealth Government funding for teaching and research, and funding considerations are not within the scope of this review, there is an appreciation that any changes to the PCS need to consider potential funding implications. For example, any new entrants to the university categories could conceivably gain access to public funds currently open to existing universities.

# Considerations

A number of considerations are relevant to current discussions of the PCS. These are highlighted to help stimulate discussion for this review. It should be noted that the review is not limited to these considerations alone and interested parties are encouraged to share their perspectives on these or any other matters they consider relevant to this review.

## Australia's conceptualisation of a 'university'

The established norm of what it means to be a university in Australia is embedded in the PCS, with the undertaking of research and scholarship (to inform teaching) a clear delineating requirement for the university categories.

To be a 'university' under the PCS, an institution must undertake research that leads to the creation of new knowledge and original creative endeavour, and demonstrate sustained scholarship that informs teaching and learning.<sup>6</sup> The 'Higher Education Provider' category requires providers to be active in research only when engaged in research student supervision and requires academic staff to be active in scholarship that informs their teaching.<sup>7</sup>

Australia has come to conceptualise universities as places for both teaching and research. These two fundamental features have become synonymous with the title 'university' and have contributed to the good reputation of Australia's universities internationally for high quality teaching and research.

## International comparison

The expectation that universities are distinguishable from other types of higher education provider by combining teaching with research activity is widely held internationally. However, Australia is somewhat unusual in codifying the types or scale of research activity necessary to be classified as a 'university' – that is, original research being undertaken in at least three broad fields of study in which higher degrees by research are awarded. This does not preclude other non-university providers undertaking research; indeed, there is a trend towards increasing research activity in these providers as the amount and ambition of non-university higher education provision increases globally.

The 'university' title is used in different countries in similar but often distinct ways. The prominence of research in universities varies, with some well-known international universities having relatively modest research programs, with many others highly research intensive. In certain national systems the leading research institutes are very distinct from universities. Also, in some countries, such as New Zealand, universities must meet international standards of research. Elsewhere, for example in the United States, the 'university' title is self-asserted by the institution in the absence of regulatory authority. While by no means universal, the most common international feature is that the 'university' title is granted by an education regulator or ministry of education as part of the process of classifying institutions and that universities are granted greater autonomy than other types of institutions.

---

<sup>6</sup> *Higher Education Standards Framework 2015*. Part B1.2.3 and B1.2.5.

<sup>7</sup> *Higher Education Standards Framework 2015*. Part B1.1.4.

## Teaching-research nexus and rethinking the research requirement

*“Part of the rationale for universities undertaking both research and teaching functions is the ‘teaching-research nexus’ — the theory that close proximity to world-class researchers makes students more engaged, develops their critical thinking, aids their research skills and keeps them up to date with the latest research findings”.*

**Productivity Commission (2017) *Shifting the Dial: 5 Year Productivity Review*<sup>8</sup>**

The Bradley Review supported these defining characteristics of what it means to be a university in Australia, advocating that “the link between teaching and research is a common feature of respected universities internationally” and “while it is difficult to find compelling research evidence which unequivocally supports the argument that graduates with degrees from such institutions are demonstrably better than those from teaching-only institutions, it would not be in Australia’s best interests to ignore the weight of international opinion and practice on this issue”.<sup>9</sup> The Bradley Review proposed that “there is an important difference between institutions which disseminate existing knowledge and those which also create new knowledge through research in various forms, which should be reflected in the title of the institution”.<sup>10</sup>

*“Institutions with a strong culture of research are better placed to ensure that students receive maximum benefit from research-informed teaching which assists them to acquire a sophisticated understanding of their subjects and to recognise the importance of continuing to update their knowledge and skills”.*

**Bradley, D. (2008) *Review of Australian Higher Education*<sup>11</sup>**

The requirement for universities in Australia to undertake research remains one of continuing interest. Sometimes the matter is viewed through the lens of differential funding possibilities. Related to this are the current incentives for universities to support research through teaching revenue, particularly from international students. Another factor is the inextricable link between research and university standing, particularly where international university rankings are weighted significantly by research performance. There is also contention about the strength of the teaching-research nexus in practice, with commentators often pointing to a lack of evidence supporting the relationship between research and teaching quality, student experience or employment outcomes.

A 2017 Productivity Commission Review explored a range of issues associated with the teaching-research nexus. This included factors such as: the eminence and prestige research brings to universities; the potential barrier to new entrants becoming universities due to the expense of conducting research; the competitive advantage research affords to existing institutions in Australia’s university-centric market; and the impression that teaching quality is not rewarded, with the career development of academics depending “more on their research results and publication numbers than

---

<sup>8</sup> Productivity Commission (2017) *Shifting the Dial: 5 Year Productivity Review*. Report no. 84. Canberra. p.108.

<sup>9</sup> Bradley, D. (2008) *Review of Australian Higher Education*. p.124.

<sup>10</sup> Ibid. p.125.

<sup>11</sup> Ibid. pp.124-125.

on their teaching ability”.<sup>12</sup> Indeed, the Productivity Commission review found “little empirical evidence that a positive teaching-research nexus exists (particularly at the undergraduate level)” and “no compelling policy rationale for requiring high-quality providers to conduct research in order to be able to label themselves as a ‘university’”.<sup>13</sup>

*“That universities must foster excellence in research is unquestioned. However, universities are in the unique position of not just generating ideas that push out the boundaries of knowledge, but in also transferring that knowledge to students — a diffusion role that is not subject to the same level of status as research.”*

**Productivity Commission (2017) *Shifting the Dial: 5 Year Productivity Review*<sup>14</sup>**

Public discourse on the current requirements on universities under the PCS also present other considerations. For example, should the requirement for universities to offer both undergraduate and postgraduate courses be relaxed, allowing freedom for a university to specialise in only undergraduate or only postgraduate courses, with or without research, as appropriate? Should specialised research institutes with a proven record become eligible to use the ‘university’ title and even offer postgraduate research-based qualifications? While this review presents an opportunity to explore all possible options, the implications of any change must be carefully weighed, particularly where change may have consequences for reputation and outcomes.

## DISCUSSION QUESTIONS

1. **What characteristics should define a ‘higher education provider’ and a ‘university’ in the PCS?**
2. **Are the PCS fit for purpose in terms of current and emerging needs? Why?**

### Signalling differentiation

Australia’s higher education sector continues to evolve as providers seek to meet the needs of students, industries and communities – locally, nationally and internationally. Ensuring the highest quality across an increasingly diverse higher education system is a challenge for the nation – but one that has far-reaching consequences if not upheld. The PCS act as a market signal for provider activity and quality. Australia’s robust quality assurance arrangements, including strict requirements to use the ‘university’ title, help to assure Australia’s reputation globally for high quality higher education provision and delivery, safeguarding its strong reputation and international standing.

<sup>12</sup> Productivity Commission (2017) *Shifting the Dial: 5 Year Productivity Review*. Report no. 84. Canberra. p.104.

<sup>13</sup> Ibid. p.108.

<sup>14</sup> Ibid. p.105.



However, the real differentiation of Australia's higher education sector might not be reflected in the PCS. Currently a single 'Higher Education Provider' category covers 127 different higher education providers.<sup>15</sup> Consequently, the opportunity for higher education providers to demarcate their position through the PCS and signal their point of difference, specialisation, or excellence against other higher education providers may not be possible. By categorising all higher education providers together, broad minimum requirements become the focus. This is as opposed to the possibility of additional requirements to distinguish and incentivise differentiation and excellence.

For example, could pathway colleges linked to a 'university' and offering AQF Level 5-6 courses be classified as a standalone category of higher education provider? Additionally, should higher education providers that have reached the highest levels of confidence by TEQSA in their self-assurance and self-assessment capability be eligible for a new category (and title) which allows unlimited self-accrediting authority?

Another consideration is whether the PCS need to take account of varying activity and quality of a single provider. For example, the learning experience of a student at a main university campus may be very different to a smaller 'city building block' campus of the same institution. Is it acceptable to advertise this as a 'university' experience? With approximately 1.5 million higher education students enrolled in Australia, and around 90 per cent of those enrolled in universities, the sector should be aware of the lens through which students view institutions.

## DISCUSSION QUESTIONS

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

### Optimising the PCS

The PCS currently comprise six categories, including five university categories and one category for non-university providers. However, in practice two of the six categories predominate – the 'Australian University' category and the 'Higher Education Provider' category. There is one 'Australian University of Specialisation' and there are currently two providers in the 'Overseas University' category. Little to no take-up of the other university categories raises questions as to their utility, or even whether they should remain.

### Progression categories

Under the PCS there have been no successful applications to date in the 'Australian University College' category. This category was established to provide a transitional category for a higher education provider with realistic and achievable plans to become an 'Australian University' within five years. Reasons for lack of utilisation of this category need to be understood.

One issue may be that there is a potential mismatch of requirements involved. On the one hand, the 'Australian University College' category has a requirement to self-accredit and deliver Masters Degrees (Research) and Doctoral Degrees (Research) in at least one broad field of study. On the other hand, the 'Australian University' category requires providers to have been authorised for at least five years to self-accredit 85 per cent of their courses, including research degrees in at least

---

<sup>15</sup> TEQSA National Register summary table (accessed 03/12/2018 from [www.teqsa.gov.au/national-register](http://www.teqsa.gov.au/national-register)).



three broad fields of study. In other words, this aspect in the ‘Australian University College’ category is potentially misleading if the purpose of the category is to facilitate transition to the ‘Australian University’ category.

Another consideration is how the PCS could support higher education providers to follow their path of development through a logical progression of stages, and to remain at each stage for as long as they need to be without having to move to the next stage unless they are ready. For most providers, there is likely to be a very large leap between the stage where they are registered in the ‘Higher Education Provider’ category and have limited self-accrediting authority, to that where they have to meet all the research, community service and student services requirements of an ‘Australian University’. The intersection with public funding frameworks makes this leap even more difficult for most.

### **‘Greenfield’ universities**

The PCS currently contain no provision for ‘greenfield’ universities. The term ‘greenfield’ in this context would refer to an entity which has not been registered by TEQSA as a higher education provider and seeks to apply directly for university status. For example, this could include an overseas university seeking to be recognised under the ‘Australian University’ category or a new university established by a state or territory government. In this regard there could be significant challenges within the PCS, which currently limit the feasibility of such an application.

While the earlier National Protocols allowed ‘greenfield’ universities to operate on a provisional basis for up to five years, this option does not exist in the current PCS. It might prove difficult within the current framework for a provider that only ‘plans’ to meet standards (rather than is already meeting them) to be registered with TEQSA. ‘Greenfield’ universities are required to have the capacity, financial resources, and staff numbers to prove that they meet the minimum criteria for entry into the sector including being active in research and scholarship. This set of requirements may present problems for a ‘greenfield’ university not already in operation. To address this situation, should consideration be given to allow newly-approved ‘greenfield’ universities to operate in compliance with a sub-set of requirements as they scale up to full operation?

### **Overseas universities**

A distinctive feature of the PCS is that they include discrete categories for overseas universities, providing opportunity for reputable institutions that can meet Australia’s robust quality standards to operate on our shores. This provision projects an important signal to the world – that Australia is willing and confident to open its doors and work alongside (and in competition with) the best in the world. However, Australia’s success in both attracting and retaining high quality overseas universities to operate campuses in Australia has been limited. Examining factors that may be viewed by reputable overseas universities as challenges, barriers, disincentives and risks to such investment in Australia is thus a relevant matter if the PCS are to retain categories designed to cater to such institutions.

### **Criteria for self-accreditation**

Higher education providers may seek approval from TEQSA for authority to self-accredit some or all of their courses of study. The ability to self-accredit courses either on a ‘limited’ (confined to specific fields or levels) or ‘unlimited’ (applying to all current and future courses in any field or level) basis is a possibility for all higher education providers under the PCS and compulsory for all providers in the university categories.

The limited self-accreditation authority criteria largely amount to demonstrating a reliable history of course approvals, combined with meeting a select group of standards. The criteria for unlimited self-accreditation authority include more demanding requirements to be demonstrated:

- capability to plan, establish and accredit courses in new broad fields
- capacity for competent academic governance oversight and scrutiny of the accreditation of courses in new broad fields
- breadth and depth of academic leadership, scholarship and expertise to guide entry into and sustainable delivery in new broad fields.

The criteria for unlimited self-accreditation authority can present difficulties from a regulatory perspective, in that the criteria are designed in such a way that TEQSA is required to assess a provider's capacity to undertake future events, rather than demonstrating a history of capability.

### **Quantity and quality of research**

The PCS do not currently define the quantity or quality of research required within each broad field of study to justify 'university' status. On the narrowest interpretation, to achieve 'Australian University' status a provider could demonstrate the requirements by providing a single undergraduate and postgraduate course and undertaking a single research project in each of the three required fields in a given year, and publication of at least one paper from each project in any form, and at any level of quality. This scenario may not meet community expectations of what a university should deliver, but it is plausible that a provider so described would satisfy the current PCS requirements. Additionally, the PCS do not define scholarship and what constitutes 'sustained' scholarship. There are many forms in which scholarship can take place, including the scholarship of discovery of new knowledge, integration, application, and teaching.<sup>16</sup>

Through this review, interested parties are invited to identify existing strengths and deficiencies of the PCS and propose detailed suggestions as to how it may be optimised in the context of these and other issues.

## **DISCUSSION QUESTIONS**

- 4. Do specific categories need to be revised? How?**
- 5. How would the needs of providers, students, industry, regulator and broader public interest be served by your suggested changes to the PCS?**

---

<sup>16</sup> Boyer, E. (1990) *Scholarship Reconsidered: Priorities of the Professoriate*. Carnegie Foundation. p.16.

# Submissions

Written submissions for this review are open to all interested parties. The reviewer invites you to put forward your ideas, as pithily as possible, and provide the evidence and insights that underpin them.

This paper proposes five discussion questions to help guide responses. Submissions are not limited to these discussion questions and may address any issue and suggested alternatives relating to the current PCS.

## Discussion questions

- 1. What characteristics should define a ‘higher education provider’ and a ‘university’ in the PCS?**
- 2. Are the PCS fit for purpose in terms of current and emerging needs? Why?**
- 3. Should some categories be eliminated or new categories be introduced? What should be the features of any new categories?**
- 4. Do specific categories need to be revised? How?**
- 5. How would the needs of providers, students, industry, regulator and broader public interest be served by your suggested changes to the PCS?**

## Making a submission

Submissions will close at 5.00 pm (AEST) on 8 March 2019 and should be emailed to [PCSReview@education.gov.au](mailto:PCSReview@education.gov.au).

Please note that the Australian Government Department of Education and Training will not treat a submission as confidential unless requested that the whole submission, or part of the submission, be treated as such. Publication of submissions will be subject to HESP approval.

For more information on this review, the HESP and to access a copy of this discussion paper, please visit [www.education.gov.au/higher-education-standards-panel-hesp-0](http://www.education.gov.au/higher-education-standards-panel-hesp-0).