



Australian Government
Department of Education

Review of the Higher Education Provider Category Standards

Australian Government Response

Message from the Hon Dan Tehan MP, Minister for Education

Australia has a world-class higher education system underpinned by excellence, innovation and diversity. Our international reputation for high quality education is built, in part, on the system's underlying quality assurance framework, the *Higher Education Standards Framework (Threshold Standards) 2015*. The Provider Category Standards play an important part in this framework, describing the different types of higher education providers, and the requirements expected of them, for registration by the Tertiary Education Quality and Standards Agency.

In October 2018, I appointed Emeritus Professor Peter Coaldrake AO to undertake a review of the Higher Education Provider Category Standards. I asked him to examine the effectiveness of the Provider Category Standards as a framework for the delivery of higher education and analyse options for the most effective categorisation of Australian higher education providers into the future.

The Provider Category Standards must continue to be fit for purpose for students, higher education providers, industry and the wider community. Consumers need to be aware of the requirements expected of different providers to help them make better decisions about their post-school education options, and as our higher education system continues to evolve at a rapid pace, its regulatory framework needs to support innovative and changing practice.

I released Professor Coaldrake's final report on 15 October 2019. Professor Coaldrake's ten recommendations aim to simplify the Provider Category Standards by removing underutilised categories, providing differentiation, supporting provider innovation and aspiration, and maintaining Australia's reputation for world-class higher education. The amendments to the Provider Category Standards will drive more diversity of providers in higher education, responding to evolving workforce skills needs and driving better collaboration in our research efforts.

The Australian Government accepts the aim of all ten of the Review's recommendations. The Government will consult with the sector on their implementation. I have also asked the Higher Education Standards Panel to provide advice on the amendments required to the Provider Category Standards to implement Professor Coaldrake's recommendations.

I thank Professor Coaldrake and all the stakeholders who gave their time to contribute to the Review.

The Hon Dan Tehan MP
Minister for Education

1. Overview - The Review of the Higher Education Provider Category Standards

The Higher Education Provider Category Standards (PCS) form Part B of the *Higher Education Standards Framework (Threshold Standards) 2015* legislative instrument (Threshold Standards). They define the different categories of higher education providers, and requirements expected of them, for registration by the Tertiary Education Quality and Standards Agency (TEQSA). Part B of the Threshold Standards also includes the *Criteria for Seeking Authority for Self-Accreditation of Courses of Study*, which TEQSA uses as the basis for granting self-accrediting authority to higher education providers. The PCS have remained largely unchanged for over twenty years, despite Australia's higher education landscape having changed significantly over that period.

The Review of the Higher Education Provider Category Standards (the Review) was announced as part of the 2017-18 Budget higher education reform package. The Review was initiated to ensure the PCS continue to be fit for purpose for the needs of students, the sector and the wider community. A key objective was to ensure that the PCS are flexible enough to keep pace with Australia's evolving higher education landscape, can accommodate innovative and changing practice, and are comparable to international benchmarks.

The Review was led by Emeritus Professor Peter Coaldrake AO, with steering oversight provided by the Higher Education Standards Panel (the HESP).

2. Review Terms of Reference

The terms of reference for the Review were as follows:

The Review of the Higher Education Provider Category Standards will:

- a) Assess the effectiveness of the current Provider Category Standards 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 Provider Category Standards
- 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
 2. criteria settings within each of the recommended provider categories.

3. Legislative requirements

Amendments to the Threshold Standards are required to implement the majority of the Review's recommendations. Section 58 of the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act) sets out the requirements for making or varying the Threshold Standards. These include that a draft of the new standards has been developed by the HESP and that the Minister must consult with the COAG Education Council and TEQSA.

The Minister for Education has written to the Chair of the HESP, Professor Ian O'Connor AC, asking the HESP to provide advice draft amendments to the PCS required to implement Professor Coaldrake's recommendations. Under the TEQSA Act, the HESP is required to consult interested parties when performing its functions and has already commenced this work. The HESP will provide its advice in due course. The COAG Education Council and TEQSA will be consulted on any proposed amendments to the Threshold Standards after the HESP's advice has been received.

4. Recommendations and response

A detailed response to each of the Review's ten recommendations is set out on the following pages. The Government will consult with the sector on the details of implementing the Review's recommendation.

Recommendation 1

There should be a simplification of the current provider categories. Our universities are currently over-categorised, while all other higher education providers are grouped in a single undifferentiated category. The current five university categories should be reduced to two categories and the current single category for other higher education providers (that are not universities) should be increased to two categories.

Current Categories	Proposed Revised Categories
Higher Education Provider Australian University Australian University College Australian University of Specialisation Overseas University Overseas University of Specialisation	Institute of Higher Education National Institute of Higher Education Australian University Overseas University in Australia

Response

The Australian Government accepts the aim of this recommendation, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above).

The current categorisation of higher education providers is over-complicated, with five university categories catering for 44 providers and one category catering for 135 providers. Enacting this recommendation will seek to rebalance and simplify the provider categories.

In implementing this recommendation, the Government proposes to adopt the title, ‘University College’ for the category, ‘National Institute of Higher Education’. This is to recognise the concerns put forward by some stakeholders at the loss of a discrete ‘Australian University College’ category, which was always intended to be a transitional category for providers seeking eventual registration in the current ‘Australian University’ category. A number of technical issues in the current ‘Australian University College’ criteria linked to the process and time for transition to Australian university status have limited its utility and uptake. While providing a high benchmark of quality, the criteria under the proposed ‘University College’ are more attainable and provide a transitional pathway for providers wishing to become an ‘Australian University’.

The proposed criteria for the revised ‘Australian University’ category will accommodate universities with either a comprehensive or specialised focus and will include research requirements.

The Government recognises that implementation of this recommendation should not disadvantage Avondale College, the one provider currently registered in the ‘Australian University College’ category, or any new entrants to the category prior to any PCS changes being enacted. Transition arrangements for the introduction of a revised PCS will ensure these providers are placed in an appropriate provider category.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above.

Recommendation 2

In line with Recommendation 1, the current ‘Higher Education Provider’ category should be renamed ‘Institute of Higher Education’ category to build distinctiveness and to avoid confusion with the broad definition of ‘higher education provider’ under the *Tertiary Education Quality and Standards Agency Act 2011*.

Response

The Australian Government accepts the aim of this recommendation, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above).

Under the TEQSA Act, and other legislation such as the *Higher Education Support Act 2003*, the definition of the term ‘higher education provider’ encompasses universities and other higher education providers. However, this is also the title of a discrete provider category. Renaming this category ‘Institute of Higher Education’ would alleviate confusion around use of the term ‘higher education provider’ for two different purposes.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above.

Recommendation 3

In line with Recommendation 1, a new category titled ‘National Institute of Higher Education’ should be created to serve aspiration, destination, or progression purposes. This category will be reserved for the highest performing higher education providers which are not universities. National Institutes of Higher Education will be recognised for meeting additional criteria to those required of other higher education providers outside the universities and will have a significant measure of self-accrediting authority status.

Item	Related Action
‘National Institute of Higher Education’ category	The Australian Government should consider policy arrangements that may support high quality providers that meet the standards of the proposed ‘National Institute of Higher Education’ category.

Response

The Australian Government accepts the aim of this recommendation, to create a new category for high performing higher education providers, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above). The Government proposes, however, that the title of this category be ‘University College’, rather than ‘National Institute of Higher Education’.

The Government notes Professor Coaldrake’s recommendation to remove the ‘Australian University College’ title and category. The Government supports promoting diversity within the higher education sector, rewarding providers that can demonstrate they are performing at the highest standard and providing an achievable pathway for providers to become an Australian university.

Titling the category, 'University College' will provide appropriate recognition for high performing providers, and the criteria in this category addresses the lack of utility provided in the current 'Australian University College' category. This proposed category recognises that many high performing providers may be more teaching focussed, rather than research intensive.

'University College' is a recognised title internationally, and providers in this category will be able to use this title for marketing and branding purposes, both in Australia and worldwide. Providers registered in this category do not need to adopt the 'University College' branding if it does not suit their mission or purpose. However, those who wish to adopt the branding, will be required to use the 'University College' title in full. Legislative amendments may be required to enact the specificity around 'University College' titling.

The Government supports requiring providers in this category to hold the authority from TEQSA to self-accredit some or all of their courses. This signals that these providers have met additional quality benchmarks, as recognised by the regulator, and have set up the systems and processes to support quality outcomes. Furthermore, this may encourage providers aspiring to enter the category to work towards obtaining self-accrediting authority, which, over time, will improve TEQSA's regulatory workload. Additional quality criteria in this category, such as superior student outcomes, industry engagement and depth of academic leadership, will also encourage the highest quality entrants to the category.

The category is intended to serve different purposes depending on the needs of individual providers. Some providers may wish to remain in this category indefinitely. Other providers, if it suits their mission, may use their time in the category to build capacity and move towards seeking registration in the 'Australian University' category. The category is sufficiently broad to cater for different types of providers, including institutions with either specialised or comprehensive offerings, those with small or large student populations, or institutions with either a teaching or research focus.

The Government will consider what policy settings are appropriate to support high quality providers in the new category. Appropriate transition arrangements, informed by the HESP's advice, will be put in place to facilitate provider entry into this new category.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above.

Recommendation 4

The Higher Education Provider Category Standards must enable providers to transition to other categories and grow their course and research offerings. This should be complemented by a guidance framework developed by the Tertiary Education Quality and Standards Agency. This will better assist providers in their successful transition to other categories and will both encourage and support excellence, differentiation, and innovation.

Response

The Australian Government accepts the aim of this recommendation.

The Government is supportive of providers building their capacity and moving between categories as per their individual institutions' strategic direction. Guidance material from TEQSA will assist providers with more transparent and clear directions on requirements and procedures surrounding the operation of the Provider Category Standards.

The Government will also ensure that research requirements set out in the Provider Category Standards are drafted to provide a clear transition path for providers moving towards the 'Australian University' category (research requirements are set out in response to Recommendation 5 below).

Recommendation 5

Along with teaching, the undertaking of research is, and should remain, a defining feature of what it means to be a university in Australia; a threshold benchmark of quality and quantity of research should be included in the Higher Education Provider Category Standards. This threshold benchmark for research quality should be augmented over time.

Response

The Australian Government accepts the aim of this recommendation, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above).

The Government supports the principle that both teaching and research should remain a defining feature of the 'Australian University' category, while noting Recommendation 6's addition of industry engagement, civic leadership, and community engagement to the Higher Education Provider Category and industry engagement to the proposed University College category. Clearer definitions surrounding the quality and quantity of research required to be categorised as an 'Australian University' will send a signal to the public about the level of research expected to take place at our universities. These changes will ensure Australia's reputation for world-class research is maintained.

The Government recognises that research benchmarks are ideally set at a world-class standard, but must also recognise work of national standing in Australia-specific fields such as Australian studies and Australian literature.

New benchmarks for quantity and quality of research may require some Australian universities to increase research performance and output, or to specialise in their areas of strength. However, consideration will need to be given to the design of the research benchmark standards to ensure that they do not discourage research specialisation that is in the national interest, or unfairly penalise smaller universities including those operating in regional, rural and remote locations.

The Government supports Professor Coaldrake's view that the research requirements should be increased over time. This will allow universities to build the required research capacity to meet the

new requirements. This provision should also be applied to new entrants to the ‘Australian University’ category, allowing a robust and achievable pathway for entry into the category.

The Government will consider the advice from the HESP and discuss approaches with TEQSA and the sector before settling the implementation and transition arrangements for implementation of this recommendation.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above

Recommendation 6

Requirements related to industry engagement, civic leadership, and community engagement should be introduced or bolstered in the university categories of the Higher Education Provider Category Standards. Industry engagement requirements should also be part of the proposed ‘National Institute of Higher Education’ category.

Response

The Australian Government accepts the aim of this recommendation, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above).

University/industry collaboration is important to ensure students are given the opportunity to undertake courses informed by the latest industry knowledge. Partnering with industry, particularly when this collaboration is targeted to the skills and economic needs of a region, contributes to the skills pipeline and ensures that students are job-ready at the completion of their studies. Universities with strong industry ties also facilitate more meaningful work-integrated learning opportunities for students which can enable better graduate employment opportunities.

In the research space, increased collaboration between academia and industry allows research to have an impact in industries and regions where it is needed most, and increases return on investment.

The Government supports the proposal that the requirement for industry engagement should be mirrored in the proposed ‘University College’ category, to encourage strong ties between these high performing providers and industry partners. Such relationships are particularly important for providers aiming to become an ‘Australian University’.

Engagement with their local and regional communities and a commitment to social responsibility in their activities is already a requirement for Australian Universities under the current Provider Category Standards. The Government acknowledges that Australian universities have strong ties with their local communities and are anchor points within their regions. Universities strive to create new and effective ways of developing, transmitting and applying knowledge for the public good. This community engagement comes in many forms, such as tailoring courses to meet specific local industry needs, hosting community events and workshops, and working with disadvantaged areas of

the community to improve equitable access to, and outcomes from, university. Engagement with the local community, particularly if undertaken with younger school-aged children, can build awareness and aspiration towards university level studies for parts of the community that may have had limited to no exposure to higher education. This recommendation seeks to codify the extensive work that universities already undertake in this area.

As noted by Professor Coaldrake, it should not be the intention of this recommendation to introduce a new compliance burden. The Government recognises that universities are already undertaking effective work in these areas – this recommendation will instead recognise, support and encourage these efforts. This recommendation also aligns with the Government priority to improve graduate employment outcomes through Performance Based Funding for the Commonwealth Grant Scheme from 2020.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above.

Recommendation 7

To ensure Australia’s higher education sector is positioned to support innovation, population growth, and demand for higher education in the future, the *Tertiary Education Quality and Standards Agency Act 2011* should be amended to allow for ‘greenfield’ universities.

Response

The Australian Government accepts the aim of this recommendation, noting the legislative processes involved.

Australia’s higher education legislative framework currently contains no provision for ‘greenfield’ universities, that is, newly established entities that seek to apply directly for university status. The Government considers that the future architecture of the higher education system should make provision for new universities that may need to be established to meet a specific industry or regional needs. However, strict controls must be put in place to ensure these institutions have appropriate plans and backing in place to safeguard the reputation of Australia’s higher education sector and the university title. At a minimum, this should include having the support of the relevant state or territory government.

Appropriate legislative amendments will be pursued to enact this recommendation, based on advice received from the HESP. Possible options to allow for registration of greenfield universities may include amending the TEQSA Act to allow registration of ‘greenfield’ universities or amending the PCS to specifically set out criteria that ‘greenfield’ universities would be required to meet.

Recommendation 8

The criteria for seeking self-accrediting authority should be amended to simply and clearly articulate the types of self-accrediting authority (limited and unlimited) that can be authorised by the Tertiary

Education Quality and Standards Agency and the requirements to be demonstrated by providers seeking self-accreditation status.

Response

The Australian Government accepts the aim of this recommendation, noting the legislative requirements for amending the Threshold Standards (set out in Section 3 above).

The Government believes it is an important principle of the regulatory framework for Australia’s higher education sector that institutions are enabled to self-regulate when capacity to do so has been adequately demonstrated to a high quality. Section 45(1) of the TEQSA Act provides self-accrediting authority to providers in the ‘Australian University’ category. Currently, a small number of non-university higher education providers also have some level of self-accrediting authority.

The current *Criteria for Seeking Authority for Self-Accreditation of Courses of Study* in the Threshold Standards are overly complex and inconsistent with the types of self-accrediting authority awarded in practice. The Government supports simplifying and targeting the criteria to focus on the ability of providers to develop courses that TEQSA is satisfied are of a high quality and consistently meet the Threshold Standards. These changes should encourage more providers to apply to gain self-accrediting authority, and ensure the right types of providers are awarded this privilege.

The Government will progress amendments to the Threshold Standards to enact this recommendation, noting the legislative requirements for this set out in Section 3 above.

Recommendation 9

The essential purpose of regulating the nomenclature of institutions via the Higher Education Provider Category Standards is consumer protection. There should be, therefore, greater transparency and awareness-raising of the Higher Education Provider Category Standards, including the requirements expected of providers by different category type. This will be for the benefit of potential students, industry, and employers, both domestic and international.

Item	Related Action
The National Register of Higher Education Providers	To enable consumers to be better informed of the requirements expected of providers registered under different categories, the Tertiary Education Quality and Standards Agency should provide more descriptive information on the National Register of Higher Education Providers.
Tertiary Education Quality and Standards Agency Provider ID and provider category	To assist in transparency for consumers, all registered higher education providers should feature their Tertiary Education Quality and Standards Agency Provider ID and provider category on relevant public material.
Communications strategy	To build understanding and recognition of the different categories of higher education providers in Australia, a concerted

	communications strategy should be actioned with national and international audiences in mind.
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Response

The Australian Government accepts the aim of this recommendation.

The Government agrees that work should be undertaken to improve awareness of the PCS, in the form of the actions proposed in this recommendation. It is important for students to be aware of the different types of higher education providers in the sector, and the different requirements expected of each provider type. Students need accurate information to assist in their decision making for post-school education options. It is also important that the different types of Australian higher education providers are known internationally, particularly for qualifications recognition purposes for our international students.

Recommendation 10

The recommended changes to Part B of the *Higher Education Standards Framework (Threshold Standards) 2015* (as set out in [Appendix D](#)) should be referred to the Higher Education Standards Panel (HESP) for deliberation. The HESP will then advise the Minister for Education on further required actions.

Response

The Australian Government accepts the aim of this recommendation.

On 16 October 2019 the Minister for Education wrote to the HESP Chair, Professor Ian O’Connor AC, referring the proposed amendments to Part B of the Threshold Standards for advice. The Minister will consider the HESP’s advice when amending the Threshold Standards to implement Professor Coaldrake’s recommendations.