

Australian Experience with Private Higher Education

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Objectives of Paper

- Describe expansion over the past two decades in private higher education in Australia, concentrating on higher education institutions as defined today in Australia as institutions offering recognised university-style degrees and diplomas, and excluding vocational education and training (VET).
- However, while private higher education enrolls between 30,000 and 50,000 students out of a total 1 million higher education students, private vocational education and training enrolls 400,000 students out of total enrolment of 1.6 million students.

Objectives (cont)

- Focus is on private higher education institutions and their students, and not on other forms of privatization.
- But other forms of privatization important, including:
 - Industry research grants from and commercialisation of research outcomes
 - HECS and FEE-HELP
 - Fee paying domestic students - 60% postgraduate course work, 3% undergraduate
 - 25% (250,000) total enrolments international
 - Overseas campuses
 - Franchising of courses (domestic and international)
 - Endowed chairs and buildings
 - Private entities owned by public universities
 - Other income generating activities - eg commercial leasing of space, selling of services

Australian Case-Study

- Australia not obvious case to study private higher education. While private higher education has operated for 150 years, until recently almost un-noticed.
- But in last 20 years, rapid expansion in number of institutions and enrolments.
- What may be of interest is:
 - why this expansion took place,
 - key policy issues that have been addressed, including problems of definition and classification, and statistical collections; appropriate legislative, regulatory and QA frameworks; and issues of government financial support.
- Not case-study of brilliant and highly coordinated planning but incrementalism, 'muddling along', other policies impacting on HE, bureaucrats seeking policy solutions, and governments responding to new political pressures and interest groups.

Current Post- School System

- Comprises higher education offered in public and private institutions, and VET sector with courses offered by government TAFE colleges and private providers.
- Major constitutional complication is that Australia has a federal system of government with both levels of government being involved in post-school education, although at federation in 1901 education was designed to be a state rather than Commonwealth power.
- Definition and categorisation have been major problems for both Commonwealth and State bureaucracies.

Higher Education

- **Table A:** 37 public universities, including the Australian Catholic University, plus two small specialist institutions, all of which are self accrediting with their own enabling legislation.
- **Table B:** three private higher education institutions that self accrediting and with own enabling legislation - Bond University, Notre Dame University and Melbourne College of Divinity.

Higher Education

- **Other private providers:** 100 to 150 relatively small institutions including the Carnegie Mellon campus in Adelaide .Need to meet prescribed conditions to be listed on the register of approved Higher Education Providers to offer higher education courses and their courses need to be individually accredited by recognised State or Territory Accrediting bodies. Such accreditation rigorous and under arrangements agreed to in 2000 State and Territory Accrediting agencies must submit to regular audits by Australain Universities Quality Agency.
- Most private providers are not for profit charities, or entities owned by professional associations or public universities. But also include overseas universities, TAFE colleges and for profit providers.

VET Sector

- 1.6 million students enrolled in vocational and skills programs in government TAFE colleges and private providers.
- Since the 1990s, private providers have been able to compete against TAFE colleges for government contracts and able to recruit fee-paying students including international students.
- Agreed national policy of competitive. About \$200 m pa available for competitive tendering for the delivery of services.
- About 400,000 students enrolled with private providers.

Definition and Categorisation

- Australia experienced major problems with definition and categorisation of private higher education - implications for funding and regulatory activities.
- Modern societies use variety of definitions of private providers, including those based on ownership, funding sources, rights of self-accreditation, student entry, curricula and teaching content, and disciplines taught.
- Australia in sequence used a variety of criteria:
 - Ownership;
 - Government funding or subsidies;
 - Lists of private providers.
 - Most recent classification for 2006 enrolment data; universities, other self accrediting, non-self accrediting
- Problems with definition based on self-accreditation, student entry, curricula and disciplines taught.

Problems with Data

- Major problems in knowing how many private providers and student enrolments.
- Data collection for higher education rests with Commonwealth Government but until recently DEST concerned only with institutions the Commonwealth supports.
- Different official lists of institutions.
- Confusion about total numbers - Watson 2000 estimated 79 institutions with total enrolments of 31,212. Council for Higher Education estimates 30,000-40,000 students while Australian Council for Private Higher Education and Training estimates about 50,000 students or 5% total enrolments.

Legislative Basis

- Australian Catholic University, Bond University, University of Notre Dame and Melbourne College of Divinity all provided with their own acts of parliament giving them the right to operate as universities and to award degrees and diplomas.
- National Protocols for Higher Education specify that new universities must be established only by a legislative instrument but this does not necessarily mean that each university must have separate legislation (Ministerial Council for Education, Employment, Training and Youth Affairs 2006, p 15).

Regulatory and QA Base

- Regulatory and quality assurance framework ensures that only quality higher education is offered by both public and private providers, and that all courses fit within an agreed hierarchy of awards and are provided by financially secure institutions.
- Key elements are the Australian Qualifications Framework, a multi-element quality assurance system, and agreed national protocols for the accreditation of higher education institutions and courses.
- Development of this framework has been a major challenge for a system of higher education located within a federal system of government where constitutional power for education rests with the States and Territories.

AQF

- AQF is a unified system of national qualifications offered by schools, vocational education and training (TAFE colleges and private providers) and higher education that was established in 1995.
- For higher education, the AQF provides for qualifications at five different levels: doctoral degrees, masters degrees, graduate diplomas, graduate certificates, bachelors degrees, and associate degrees. Guidelines with detailed specifications for each award are provided in the *AQF implementation Handbook* (2002).

QA System

- Since 2001 Australia has had multi-layered system of quality assurance for higher education that safeguards quality and standards, and assures key stakeholders that the value of awards and the quality of graduates are being maintained.
- External elements include:
 - Accreditation of new providers by State and Territory Government agencies, using agreed national protocols;
 - Regular audits of universities and State and Territory government agencies; and
 - Supplementary mechanisms provided by the Commonwealth Government including published outcomes data.

Government Financial Assistance

- Various government financial assistance been provided.
- Rann Labor Government of South Australia provided AUD\$20 million to assist the establishment of the Carnegie Mellon campus in Adelaide.
- Private providers able to compete for national research council funds.
- Allocation of government subsidized student places and financial assistance to students.
- Financial assistance provided for teacher education courses at Notre Dame University, Avondale College, Christian Heritage College, and Tabor College in Adelaide and Melbourne. More recently assistance to Notre Dame University to provide medicine and nursing courses in Sydney.

National Protocols

- In 2000 agreement by Commonwealth and State Ministers on National Protocols to be followed in accreditation of private providers.
- Overcame difficulties springing from considerable variations in processes and criteria employed by the various State and Territory accreditation bodies.
- Important element of the Protocols was the protection they provided on use of the name 'university'.
- The criteria set for university recognition were as follows:
 - authorisation by law to award higher education qualifications across a range of fields and to set standards for those qualifications which are equivalent to Australian and international standards;
 - teaching and learning that engage with advanced knowledge and inquiry;

National Protocols

- a culture of sustained scholarship extending from that which informs inquiry and basic teaching and learning, to the creation of new knowledge through research, and original creative endeavour;
- commitment of teachers, researchers, course designers and assessors to free inquiry and the systematic advancement of knowledge;
- governance, procedural rules, organisational structure, admission policies, financial arrangements and quality assurance processes which are underpinned by the values and goals outlined above, and which are sufficient to ensure the integrity of the institution's academic programs; and
- sufficient financial and other resources to enable the institution's program to be delivered and sustained into the future.

National Protocols

- National Protocols were revised in 2006 following an extensive consultation and review.
- Overall the changes were minor but the criteria for the establishment of new universities were modified somewhat in order not to require new universities to offer education qualifications 'across a range of fields', thus making possible the creation of more specialised universities.

Government Financial Assistance

- 2004 that a new student loans scheme called FEE-HELP made available fee-paying students in public and private institutions.
- Modelled on HECS, FEE-HELP provides eligible students with income contingent loans to pay for undergraduate or postgraduate fees up to a limit of AUD\$50,000.
- Students studying at private institutions have access to FEE-HELP only if their institution is registered as a higher education provider by the Australian Government.
- New criteria registration set and by October 2007 64 private institutions approved.

Why Expansion of Private Higher Education

- By no means simple to explain why.
- Strong demand for student places and changes in the economy and labour market led to recognition that substantial public and private investment in higher education is both necessary and desirable.
- Application of the New Public Administration from the 1980s in both Commonwealth and State governments has put much greater emphasis on the ideas of competition, choice and diversity in the delivery of public services

Why Expansion?

- After century of dispute about providing 'state aid' to non-government primary and secondary schools, in the 1970s the principle became accepted policy by all major political parties and to a large extent by the community in general. This has led to over 30% of Australian children being educated in non-government schools and has challenged traditional views about fee-paying education.
- Development of a growing private sector created new constituencies to lobby governments and provide strong arguments about the value of diversity and equity.