

15 March 2019

The University of Sydney's submission in response to the Australian Government's [Review of the Higher Education Provider Category Standards Discussion Paper](#), released November 2018

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Attachments

- A** Australian higher education provider's award course completions in 2017 and awards conferred by Texas higher education providers in academic year 2016-17
- B** Summary of the 2018 Basic Carnegie Classification of United States' Post-Secondary Education Providers
- C** Pettigrew, Alan, *The Profile of Research Excellence in Australia's Universities – The Missing Piece in the Policy Puzzle*, LH Martin Institute (now part of the Melbourne Centre for the Study of Higher Education), 2016. **(Attached separately)**

Executive summary and recommendations

The University of Sydney welcomes the opportunity to participate in this Review of the Higher Education Provider Category Standards (PCS). The Review provides a rare opportunity for a thoughtful and constructive discussion about how to ensure Australia's approach to regulating its post-secondary education system is appropriate in terms of the outcomes it delivers for students, the broader community, employers, the economy, governments and providers.

In this submission we develop responses to the Review Discussion Paper's five consultation questions by taking a first principles approach. This necessitates addressing the Paper's consultation questions in a different order. After discussing the origins and evolution of the PCS and related developments we conclude that they were developed to achieve a specific purpose and remain based on terminology developed almost 20 years ago. Times have changed and while the PCS now have a much wider – student and other consumer-focused – set of purposes than the original National Protocols of 2000, the wording of the PCS remains largely unchanged.

We use data and other information about Australia's and overseas' higher education systems to assess the PCS' fitness for purpose against our understanding of their current objectives. We conclude that the PCS are at best irrelevant and at worst may represent an excessive barrier to Australia addressing its current and emerging post-secondary education needs as its economy continues to transform.

We find, for example, that students considering post-secondary education in Australia have access to much less comprehensive and transparent information about higher education providers (and their educational, research and research training profiles) than do their counterparts in the United States and Canada. We find much merit in the transparency delivered by the non-legislative post-secondary education classification systems used in these countries and describe their key features.

We demonstrate that while there is evidence of great diversity in provider-types apparent across the Australian higher education sector this is not apparent in the PCS. Rather than reflecting and promoting this diversity, the PCS serve to mask it. Indeed, combined with various other factors influencing provider behaviour, we argue that the PCS may serve to encourage some existing universities to pursue comprehensiveness and scale rather than specialisation and disciplinary depth.

Our submission concludes by raising for consideration by the Review a two-step process to progress coherent reform of the PCS in the national interest.

First, we recommend that Australia draws on the approaches taken in the United States, Canada and elsewhere to develop a non-legislative Post-Secondary Education Provider Classification System appropriate to Australia's unique needs.

Second (assuming such a classification system is successfully developed) we recommend that the PCS are either abolished or overhauled to reflect existing provider diversity, encourage new entrants and improve the quality of information for students and other consumers of higher education services. We set out some initial thoughts about how these steps could be progressed and consider the benefits (and risks) of both options for students, the community, governments, industry and providers.

We conclude that the potential benefits of abolishing or updating the PCS far outweigh the risks of continuing with the status quo in the face of Australia's current and anticipated future needs for an internationally competitive post-secondary education system.

We trust these thoughts assist the Review and look forward to being part of this important discussion as it progresses.

Responses to the Discussion Paper's specific questions

The Discussion Paper seeks responses to five specific 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?

We address each of these questions below. However, we start by answering Question 2 '**Are the PCS fit for purpose in terms of current and emerging needs? Why?**' We do this because our responses to the other four questions flow from our consideration of the history and purpose of the PCS and from our assessment of whether they remain fit for purpose in terms of Australia's current and future needs.

A. Are the PCS fit for purpose in terms of current and emerging needs? Why? (Q.2)

Our assessment is that the PCS are not fit for purpose in terms of supporting Australia's current and emerging needs for a highly educated and skilled population and for an internationally competitive research and research training system.

As outlined below, we reach this conclusion based on our understanding of the evolution of the PCS and their resulting current purpose. We have also considered carefully domestic and international developments in higher education since Australia established the original National Protocols for Higher Education Approval Processes in 2000. We believe that global trends in post-secondary education have rendered the PCS – now effectively almost 20 years old – at best irrelevant and at worst a barrier to Australia having an accessible, affordable (for students and taxpayers) and responsive higher education system equipped to meet the nation's future social, cultural and economic needs.

The purpose of the PCS

The Discussion Paper provides a helpful overview of the history of the PCS and their origins in the *National Protocols for Higher Education Approval Processes (National Protocols)* of 2000. It notes that the National Protocols were developed and agreed by State and Territory governments to 'protect the reputation of Australian higher education and its established public universities'.¹ The governments of the day sought to do this by establishing a nationally consistent approach for the approval of higher education providers to operate in Australia and for protecting the use of the term 'university'.

The Protocols were conceived as a key element of the new national quality assurance framework then under development. This framework would ultimately form the basis for the formal shift to national regulation and quality assurance of the entire Australian post-secondary education sector through the passage of the *Tertiary Education Quality and Standards Agency Act (Cth)* (TEQSA Act) and the *National Vocational Education and Training Regulator Act (Cth)* (ASQA Act) in 2011.

¹ Review of the Higher Education Provider Category Standards, Discussion Paper, Australian, December 2018, p.7

Protecting the interests of the community, students and other consumers of the services offered by higher education providers operating in Australia was implicit in the original National Protocols. This consumer-focused purpose was made explicit when the Protocols were revised in 2007.² It remains a key feature of the national higher education quality assurance framework established by the passage of the TEQSA Act and its underpinning *Higher Education Standards Framework (Threshold Standards) 2015 Cth*. As part of the broader regulatory framework within which the PCS now sit, we understand their key purposes to be:

- protecting students undertaking, or proposing to undertake higher education by requiring the provision of quality higher education;
- ensuring that students have access to information relating to higher education in Australia;
- providing for nationally consistency in the regulation of higher education;
- protecting and enhancing Australia's reputation for, and international competitiveness in higher education, as well as the excellence, diversity and innovation in Australian higher education; and
- encouraging and promoting a higher education system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population.³

Below we assess how well the PCS currently serve each of these five legislative purposes.

Do the PCS protect students undertaking, or proposing to undertake, higher education by requiring the provision of quality higher education?

Yes, but only as part of the broader Higher Education Threshold Standards and regulatory framework.

The PCSs play a quality assurance role by setting the minimum benchmarks that entities must meet to be registered (and reregistered) to operate in Australia as a Higher Education Provider. The PCS also set the additional requirements that current and prospective providers must meet if they wish to be self-accrediting and/or registered under one of the five PCS categories that includes the word 'university'. The PCS bring a degree of consistency to the categorisation of higher education providers operating in Australia, which in turn helps ensure a consistent approach to the ongoing regulation of different provider types. However, our experience is that the level of awareness about the existence and role of the PCS (or for that matter TEQSA's register of providers) is very low amongst current and prospective students, whether domestic or international, and the wider community. Moreover, our sense is that prospective students and employers of graduates from our higher education sector get their information about providers, the quality of their graduates and research from a wide range of sources other than the regulator's register of providers.

The Higher Education Standard Framework and the regulator's approach to assessing applications for registration/re-registration against these standards play much greater roles than the PCS in protecting the interests of current and prospective students. Use of the term 'university' and related words are now restricted in Australia through a robust Ministerial approval process established by the combination of the *Corporations Act 2001*, the *Corporations Regulations 2001*, the *Business Names Registration Act 2011*, the *Business Names Registration (Availability of Names) Determination 2012* and a set of guidelines used by the Commonwealth Department of Education and Training in assessing applications on behalf of the Minister.⁴ The current guidelines for the Ministerial approval process require the

² National Protocols for Higher Education Approval Processes, MCEETYA, 2007: "Purpose: The National Protocols [...] protect the standing of Australian higher education nationally and internationally by assuring students and the community that higher education institutions in Australia have met identified criteria and are subject to appropriate government regulation."

³ <https://www.teqsa.gov.au/teqsa-act>.

⁴ <https://www.education.gov.au/guidelines-use-word-university>

Department to have regard for the applicant's registration status with the regulator, including the provider category under which it is registered.

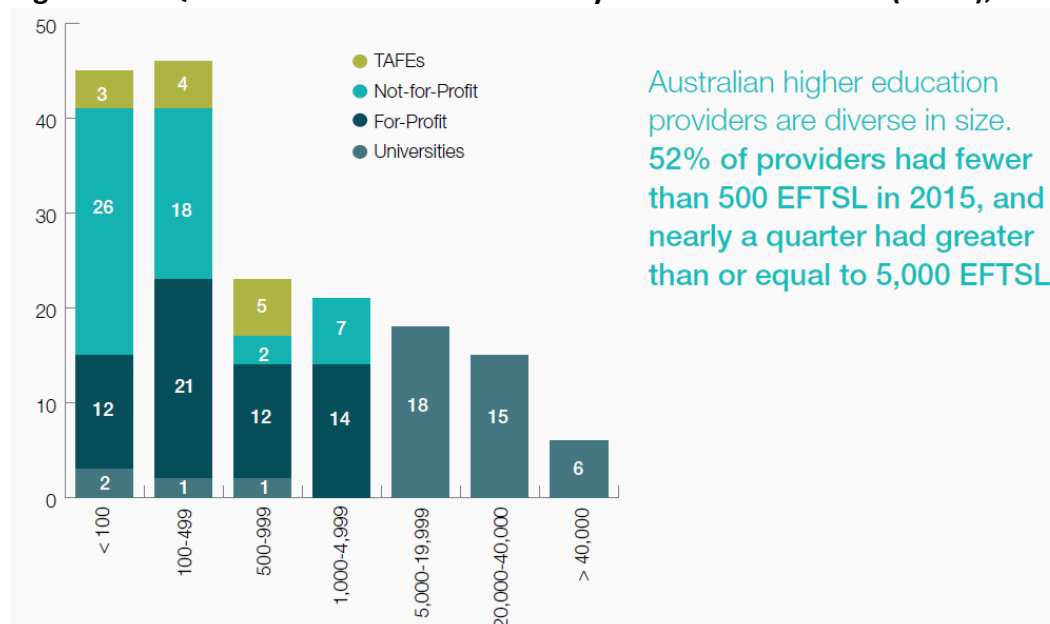
With a robust national higher education regulatory framework now in place, it is possible to imagine a quality Australian higher education system without the need for PCS. This could be achieved by the Ministerial Council agreeing to update the guidelines the Minister for Education and Training and his/her Department use when assessing applications from entities seeking permission to use the title 'university'. We discuss how this could be achieved in our responses to the Discussion Paper's other consultation questions below.

Do the PCS ensure that students have access to information relating to higher education in Australia?

Yes – however, the information the PCS provide is very limited and does not describe accurately the diversity in higher education providers operating in Australia, including within the 'Australian University' classification.

We agree with the suggestion in the Discussion Paper that the real degree of differentiation of Australia's higher education sector might not be reflected in the PCS.⁵ Relevantly, we note that the regulator appears to not find the PCS classifications suitable when reporting publicly about the higher education sector. For example, as demonstrated in **Figure 1** below, TEQSA uses the categories of *TAFEs*, *Not-for-Profit*, *For-Profit* and *Universities* to present a range of data in its latest statistics report on registered higher education providers.

Figure 1: TEQSA Presentation of Providers by Size of Student Load (EFTSL), 2015

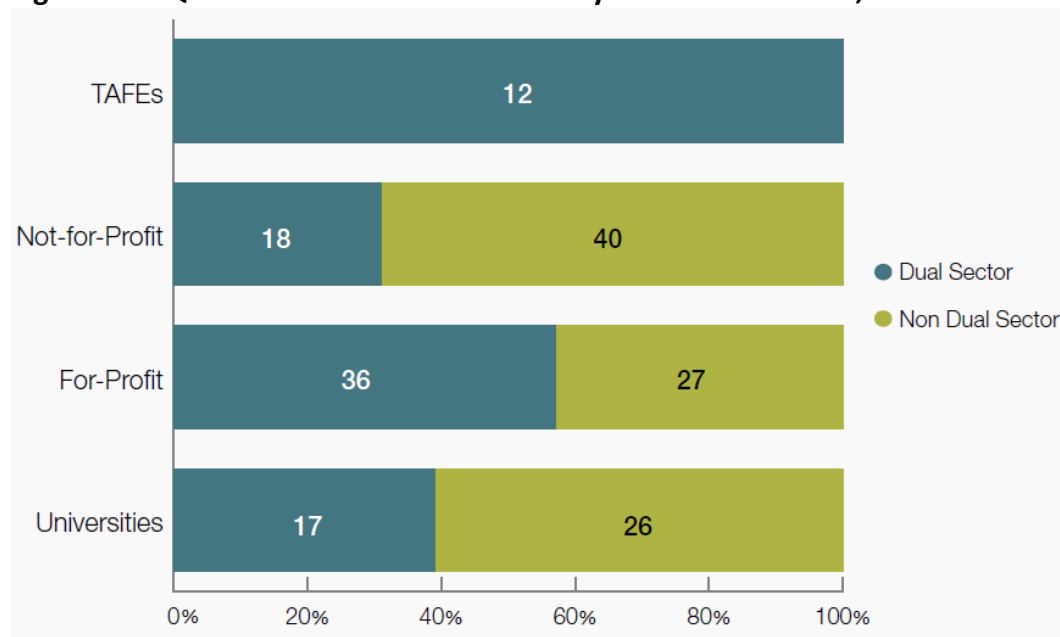


Source: TEQSA, *Statistics Report on Registered Higher Education Providers 2017*

We also note, as highlighted in **Figure 2** below taken from the same TEQSA Statistics report, that almost 50 per cent of registered higher education providers are currently 'dual-sector' providers; those registered to operate simultaneously as vocational education and higher education providers. This includes 17 universities which constitutes 40 per cent of this broader provider category.

⁵ PCS Review Discussion Paper, p.14

Figure 2: TEQSA Presentation of Providers by Dual Sector Status, 2015



Source: TEQSA, *Statistics Report on Registered Higher Education Providers 2017*

To illustrate the student and other consumer information inadequacy point further, in **Table 1** in **Attachment A** we present publicly available data on award course completions in Australia in 2017 by PCS groupings and award level.⁶ **Table 2** in the same attachment presents broadly similar publicly available data about the awards conferred by all Texas education providers, which awarded Bachelor degrees or above in the 2016-2017 academic year. Texas was chosen for the sake of this comparison because its population of 28 million is close to Australia's. Like Australia it has a mix of major metropolitan and regional, rural and remote localities.

As indicated by the following summary table, Australia (170 providers and 230,000 award course completions) and Texas (141 providers and 207,000 awards conferred) had quite similar profiles at that level of aggregation in 2017.

⁶ Note that data for Overseas University & Non-University Higher Education Providers are combined as this is how they are presented in the Department of Education's Student Statistics tables.

Summary Table, Comparing Australia's award course completions with Texas' by provider category

Australia 2017	Providers	Total awards	Texas 2016-2017	Providers	Total awards
Australian universities	40	212,859	Doctoral Universities: Very High Research Activity	9	83,427
Australian university of specialisation	1	347	Doctoral Universities: High Research Activity	9	37,928
Overseas university & Non UHEPs	129	16,743	Doctoral/Professional Universities	10	26,539
Total	170	229,949	Master's Colleges & Universities: Larger Programs	22	30,018
			Master's Colleges & Universities: Medium Programs	7	3,563
			Master's Colleges & Universities: Small Programs	2	1,249
			Baccalaureate Colleges: Arts & Sciences Focus	2	873
			Baccalaureate Colleges: Diverse Fields	14	2,415
			Baccalaureate/Associate's Colleges: Mixed Baccalaureate/Associate's	12	1,893
			Baccalaureate/Associate's Colleges: Associate's Dominant	5	6,042
			Special Focus Four-Year: Faith-Related Institutions	17	1,068
			Special Focus Four-Year: Medical Schools & Centers	4	2,899
			Special Focus Four-Year: Other Health Professions Schools	17	6,558
			Special Focus Four-Year: Business & Management Schools	6	1,781
			Special Focus Four-Year: Arts, Music & Design Schools	4	630
			Special Focus Four-Year: Law Schools	1	293
			Total	141	207,176

Source: Department of Education and Training Student Statistics Collection, and Carnegie Classification Public Data File: <http://carnegieclassifications.iu.edu/>

Drawn from the United States' [Carnegie Classification of Institutions of Higher Education](#) public data set, the Texas data demonstrate that students and other consumers of higher education services in the United States have access to much better and more transparent information and data about higher education providers than their counterparts in Australia.⁷ Notably, another thirteen institution categories are excluded from the Texas summary data we present as they did not offer awards at Bachelor-level or above.

In addition to making comprehensive up-to-date detailed data publicly available in a comparable format for every post-secondary education institution operating in the United States, the Carnegie Classification's website has a powerful '[Institutional Lookup](#)' tool. This enables users to obtain instantly a detailed profile summary of each of the 4,322 institutions currently operating in US post-secondary system. It also allows students and other stakeholders to compare an institution with similar institutions across the country. By way of example, a screen shot of the results of a search for 'University of California Los Angeles' is provided below.

⁷ See **Attachment B** for the Carnegie Classification definitions.

[Home](#) > [Institution Lookup](#) > Results
[back](#) | [start over](#)

University of California-Los Angeles

Los Angeles, California

Level	4-year or above	<input type="checkbox"/>
Control	Public	<input type="checkbox"/>
Student Population (Fall 2017)	44,027	

Classification	Category	
Basic	Doctoral Universities: Very High Research Activity	<input type="checkbox"/>
Undergraduate Instructional Program:	Arts & sciences focus, high graduate coexistence	<input type="checkbox"/>
Graduate Instructional Program:	Research Doctoral: Comprehensive programs, with medical/veterinary school	<input type="checkbox"/>
Enrollment Profile:	Majority undergraduate	<input type="checkbox"/>
Undergraduate Profile:	Four-year, full-time, more selective, higher transfer-in	<input type="checkbox"/>
Size and Setting:	Four-year, large, highly residential	<input type="checkbox"/>

Classification	Category	
Community Engagement:	Classified or reclassified in 2010 or 2015 through the New England Resource Center for Higher Education	<input type="checkbox"/>

To find similar institutions, check the dimensions of interest and click the Find Similar button.

[FIND SIMILAR](#)

Source: <http://carnegieclassifications.iu.edu/lookup/lookup.php>

Canada is another potentially useful reference point for Australia as it considers the way forward with its approach to higher education provider categorisation. Canada's approach – a national post-secondary education classification framework and set of provider-type definitions established by Statistics Canada in 2009 – is like the United States' Carnegie Classification, but simpler and with less comprehensive data about providers collected and available publicly. Statistics Canada defines four major characteristics by which it classifies institutions, collects and publishes data about them:

Summary of Statistics Canada's Definition and Classification of Postsecondary and Adult Learning Providers in Canada

1. **Provider status:** *Institution, Other*
2. **Sector:** *Public, Private not-for-profit, Private for-profit*
3. **Provider type and sub-type (special purpose, categories are divided further according to mission and mandate):**
 - **University and degree-granting**
 - *Primarily undergraduate; comprehensive; medical doctoral; special purpose*
 - **College and institute**
 - *degree granting college and institute; multi-purpose; special purpose*
 - **Career college**
 - *degree-granting career college; multi-purpose; special purpose*
 - **Apprenticeship**
 - **Adult education**
 - *art; immigration centres; languages; literacy; upgrading and second language; medical/health; Native friendship centres; professional; school board adult education; other*
 - **Consortium**
4. **Relationship type:** *Parent; Constituent part, campus*

Statistics Canada's also defines identifiers that are used to flag institutions that exist primarily to serve Aboriginal students or to deliver distance education.

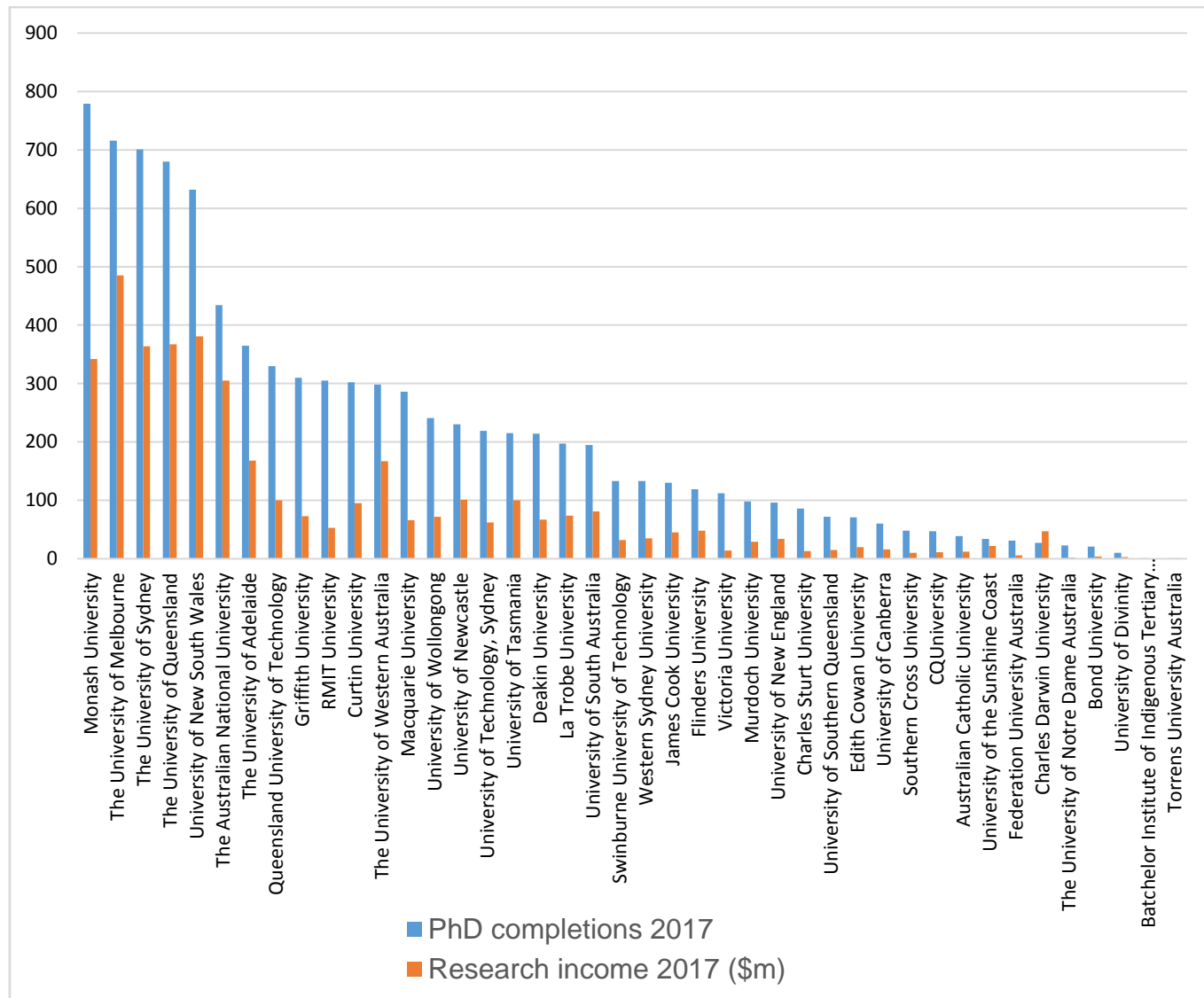
Source: <https://www150.statcan.gc.ca/n1/en/catalogue/81-595-M2009071>

According to Statistics Canada 'these rigorous definitions were needed to capture the growing complexity of postsecondary education in Canada. They differentiate the various types of postsecondary institutions, address the blurring distinction between colleges and universities and handle the various forms of possible relationships between institutions.'⁸

Compared to United States' and Canada's approaches to classifying higher education provider types, Australia's PCS currently mask the considerable variability that exists within the various 'University' classifications in terms of the breadth, depth and scale of the research and research training activities of different institutions. To illustrate, **Figure 3** below provides the latest publicly available data (2017) showing from highest to lowest the total number of PhD completions and total amount of research income reported by all providers currently eligible to receive Research Block Grant (RBG) funding from the Commonwealth. These data show large difference in the scale of the research and research training activities of Australia's universities. For instance, while five providers reported more than 600 PhD completions and non-RBG research income of more than \$600 million for 2017, ten reported less than 50 PhD completions and average non-RBG income of around \$11 million in 2017.

⁸ <https://www150.statcan.gc.ca/n1/en/catalogue/81-595-M2009071>

Figure 3, PhD Completions and Research Block Grant Income, Australia, 2017



Source: Department of Education and Training Higher Education Research Data Collection Time Series

We also note that the PCS provide students and other consumers of the various services offered by Australian higher education providers with very little information about comparative scale, breadth and quality of the research undertaken by different providers. To illustrate, we draw the Review's attention to the publication authored by Professor Alan Pettigrew and published by the LH Martin Institute 2016: *The Profile of Research Excellence in Australia's Universities – The Missing Piece in the Policy Puzzle (Attachment C)*.

By way of summary, following detailed analysis of the performance of Australian universities' results in the 2015 Excellence in Research for Australia Exercise compared to their RBG incomes in 2016, Professor Pettigrew concluded that while the ERA data show significant research strength and excellence in Australia's universities, they also confirm that:

- there is a tendency towards disciplinary comprehensiveness in Australia's university sector, with 28 of 40 universities (70 per cent) submitting for assessment in two-thirds or more of the possible 22 2-digit fields of research.
- 10 out of 40 universities (25 per cent) had more than 44% of their 2-digit research disciplines rated as below world standard.

- These 10 universities had 55 per cent of the sector-wide total number of 2-digit discipline ratings below world standard.
- Each of these 10 universities had 15 or fewer 2-digit discipline areas assessed.
- Each of the 10 universities received less than 0.9 per cent of the total RBG allocation in 2016 and together they received just 4 per cent of the total RBG allocation in that year.⁹

Clearly, there is great diversity in research training capacity and output and research capacity and quality amongst Australia's universities and other higher education providers, which is not reflected or described accurately by the PCS. The approaches taken in the United States since 1970 with the Carnegie Classification and more recently in Canada demonstrate that it is possible to provide students and the general public with fine-grained detail about the differences between various types of higher education providers, without the need for prescriptive national regulation that risks stifling competition, innovation and provider diversity. We stress that the difference is not just in the amount of information students and other members of the public have available about providers but arguably the tighter coupling between the level of research and research training undertaken by different providers and the nature of their educational, research and research training activities.

Do the PCS provide for national consistency in the regulation of higher education?

Yes – but there are now many other regulatory safeguards in place that did not exist when the National Protocols were first conceived.

Although established quickly in response to a specific imperative almost 20 years ago, the PCS have helped provide national consistency in the regulation of the Australian higher education system. Since 2011 this has been achieved through the inclusion of the PCS in the Threshold Standards, which in turn underpin the regulator's powers and approach to quality assurance under the TEQSA Act.

Coordinated action taken by the Commonwealth, State and Territory Governments in the early 2000s through the Corporations Laws to protect the title 'university' in business names in Australia has served to protect the use of this term within Australia.

The establishment, and the periodic refinement since, of the National Code of Practice for Providers of Education and Training to Overseas students under the *Education Services for Overseas Student Act 2000 (Cth)* has enforced an additional (arguably duplicating in many respects) level of quality assurance and regulation that higher education providers must comply with to stay registered to provide services to overseas students.

Finally, the *Higher Education Support Act 2003 (Cth) (HESA)* now also plays a critical role in determining which higher education providers, or their students, can receive Commonwealth funding assistance under the various grant schemes supported by that Act. The HESA applies a further check on provider quality through its quality and accountability requirements and associated guidelines. A body's approval as a higher education provider under the HESA may be revoked by the Minister for Education if the provider fails to meet the quality and accountability requirements set by the Act.

⁹ Pettigrew A. *The Profile of Research Excellence in Australia's Universities – The Missing Piece in the Policy Puzzle*, LH Martin Institute, 2016, pp.3-6. Included as **Attachment C** to this submission.

Do the PCS protect and enhance Australia's reputation for, and international competitiveness in higher education, as well as the excellence, diversity and innovation in Australian higher education?

The PCS play a role alongside many other contributing factors.

The extraordinary growth and success in international education achieved by Australia's universities since the late 1980s stems from a combination of factors beyond the reach of the PCS and the broader regulatory framework. These include:

- long-standing and significant investment in higher education and research by successive Federal Governments and by State and Territory governments;
- economic and social development in key source countries in our region and their increasing demand for high-quality international education qualifications offered in English;
- the deliberate policy decision taken by the Federal Government in the 1980s to create a genuinely deregulated fee-market for international education, which has fostered the development of a dynamic sector through competition, innovation and diversification of product offerings;
- relatively stable and supportive visa and migration policies supportive of international education;
- strategic collaboration between successive Australian governments and providers to promote Australia's education system internationally as market opportunities have emerged and matured; and
- the substantial efforts and investments of education providers individually and collectively over many years to develop educational courses that meet the needs of different international student cohorts.

According to the regulator's latest statistics report for the sector, 91.3 per cent of the 1.435 million students enrolled in Australia's higher education system in 2017 were studying at a University. Of the 277,000 equivalent full-time overseas students studying here, 88 per cent were enrolled in a University.¹⁰ As anchor institutions serving diverse communities across the nation, all of Australia's public universities play important roles underpinning some aspect of Australia's international reputation for higher education.

Arguably, by restricting the establishment of new university providers in Australia, the PCS have protected the capacity of some of Australia's existing public universities to provide education, research and innovation services that meet the needs of their local communities. They have also arguably favoured the growth of existing universities (including through the establishment of new campuses, or controlled entities) rather than the entry of new institutions because it is simply too hard to meet the PCS registration requirements.

While all Australian universities established by Acts of Parliament have missions to serve their local communities, some were created to address identified gaps in knowledge or skills, or to serve the people of a large region, entire state, multiple states or, in the case of the ANU, the entire population of Australia. We are not convinced that treating institutions that have such diverse missions as identical for registration, reporting and funding purposes (and levels of national and international reach) has served to enhance the international competitiveness of Australian higher education.

On the contrary, combined with other domestic and global factors driving institutional behaviour, the PCS have arguably encouraged some existing Australian universities to pursue comprehensiveness over specialisation. As noted above where we discussed the wide variations

¹⁰ TEQSA, *Statistics Report on Registered Higher Education Providers 2017*, p.6

in the scale and quality of Australian universities' research and research training profiles and outputs, this may have served to reduce the depth, quality and international competitiveness of Australia's research system, including in fields identified as national priorities.

Moreover, we note that many competitor countries including China, Japan, Singapore, the Netherlands and Germany are pursuing policies designed to drive mission-differentiation in their tertiary education sectors to address education and skills shortages, support life-long learning and build deep research capacity in areas of strategic priority and intense global competition. This Review therefore provides a timely opportunity to consider whether Australia's overall approach to regulating and quality assuring its higher education system is appropriate to ensure its continuing international competitiveness.

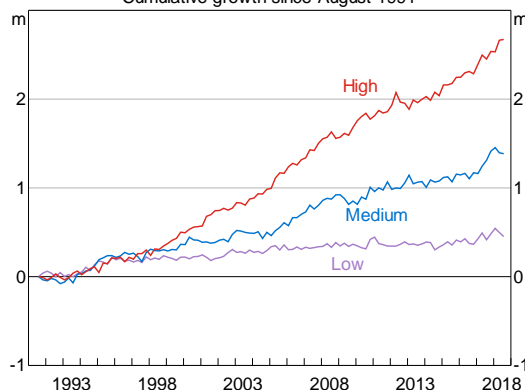
Do the PCS encourage and promote a higher education system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population?

Yes, but we face major headwinds.

The charts below from the Reserve Bank of Australia suggest that Australia's higher education system (as a key part of the tertiary education system) has played a significant role in meeting Australia's social and economic needs for a highly skilled population. Our higher education system – combined with a migration program increasingly focused on the importation of skills in areas of shortage – has underpinned the economy's continuing transformation to a heavily services-based economy. As such the sector has largely satisfied the economy's rapidly increasing demand for workers with high-level qualifications and skills throughout a globally unprecedented run of 27 consecutive years of economic growth.

Employment by Qualification Requirement*

Cumulative growth since August 1991

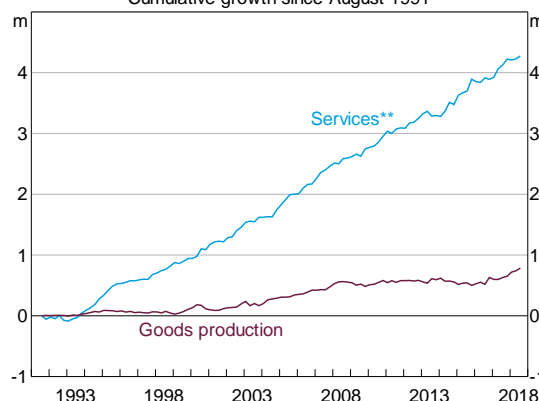


* Categories are based on occupations (as defined in ANZSCO) that require skill levels commensurate with certain levels of education, training or experience; 'high' indicates Diploma or higher or equivalent experience; 'medium' indicates Certificates II to IV (as defined by the Australian Qualifications Framework) or equivalent experience; 'low' indicates Certificate I or compulsory secondary school education

Sources: ABS; RBA

Employment by Industry*

Cumulative growth since August 1991



* Excludes agriculture, forestry & fishing

** Also includes public administration & safety and goods distribution

Sources: ABS; RBA

Source: Reserve Bank of Australia and ABS Data.

Nevertheless, growing numbers of employer groups and tertiary education policy experts have recently been expressing deep concerns publicly that our post-school education system is ill-equipped to deliver the highly educated and skilled population Australia needs to maintain social cohesion and economic prosperity through the so-called fourth industrial revolution. For example, we largely agree with the articulation of the key challenges facing our tertiary education system articulated recently by organisations such as the [Business Council of Australia](#), [KPMG](#), the [Nous Group](#) and indeed in the [Australian Labor Party](#) in its consultations to frame the terms of reference for a proposed major post-secondary education review.

Many Australian universities and other non-university higher education providers are gearing up to address the lifelong learning needs of the population, developing more modular and more flexible offerings outside Australia's regulated higher system. Australians also have increasingly easy access to formal and informal education programs offered by providers that are not covered by Australia's laws. The key question is whether the PCS support, hinder or are irrelevant to the development of the emerging global post-school education ecosystem? We believe the answer is that the PCS, as they currently stand, are probably irrelevant. Having outlined this context and the principles underpinning the PCS we are now able to address the other four questions posed by the Review Discussion Paper.

B. What characteristics should define a 'higher education provider' and a 'university' in the PCS? (Q.1)

The current requirements for registration to operate as a Higher Education Provider in Australia remain appropriate:

'The higher education provider offers an Australian higher education qualification and/or an overseas higher education qualification.

1. The higher education provider meets the Higher Education Standards Framework and offers at least one accredited course of study.
2. The higher education provider has a clearly articulated higher education purpose that includes a commitment to and support for free intellectual inquiry in its academic endeavours.
3. The higher education provider delivers teaching and learning that engage with advanced knowledge and inquiry.
4. The higher education provider's academic staff are active in scholarship that informs their teaching and are active in research when engaged in research student supervision.'¹¹

For the reasons outlined below and addressed in our proposed changes to the PCS set out in our responses to the Discussion Paper's third and fourth questions, we believe that the key characteristics that define a 'university' in the Australian context should be that it:

- (i) is established by a Commonwealth, State or Territory Act of Parliament; and/or
- (ii) offers Doctoral degrees in at least one broad field of study and demonstrates to the regulator's satisfaction that its staff not active in research hold appropriate qualifications, are active in scholarship and are engaged with and up-to-date with the latest research in their fields; and
- (iii) meets all requirements of the Higher Education Standards Framework; and
- (iv) is approved by the regulator to be a self-accrediting provider, or on a pathway to approval to self-accredit; and
- (v) following advice from the regulator provided in accordance with updated "Guidelines for applications to use the word 'university' in a business name", the entity is approved by the Commonwealth Minister for Education and Training (or his/her delegate) to use the word 'university' in its business name through a decision made under the relevant provisions of the Commonwealth Corporations and Business Names Registration laws.

¹¹ Part B, B1.1 Higher Education Threshold Standards, p.17

Rationale

In the increasingly accessible international market for higher education services, Australia needs to accept that the title 'university' will continue to be used by many entities based overseas that may not satisfy the PCS current hurdles for registration as a university within Australia.

The PCS research and research training requirements for registration as an Australia university (three broad fields of research) are already set very low. As outlined in our response to Question 2 above, a significant number of higher education providers are already legally using the title 'university' in Australia even though they undertake very little research, graduate few research students and conduct research assessed independently as below world standard through the Excellence in Research for Australia Initiative.

Students would benefit from the entry into the Australian market of more high-quality teaching-focused providers delivering courses in niche areas that prepare students for work and life and/or articulate into a higher-level award.

Australian society and the economy would benefit from the introduction of greater provider diversity in its higher education system through regulatory and funding reforms that encourage providers to specialise rather than strive for comprehensiveness.

We will always maintain, however, that where a teaching-research nexus exists genuinely, it adds tremendous value for undergraduate as well as postgraduate students in terms of their learning outcomes. Indeed, we believe that the key characteristics that distinguish universities from other types of higher education providers are that universities offer doctoral degrees and research training within research-intensive environments at levels of quality and scale that are equal to or exceed the standards required to be internationally competitive in each field of research.

C. Should some categories be eliminated or new categories be introduced? What should be the features of any new categories? (Q.3)

D. Do specific categories need to be revised? How? (Q.4)

The fundamental step for the system is develop a non-legislative Australian Post-Secondary Education Classification Framework.

Using the approaches taken in the United States, Canada and elsewhere as reference points, TEQSA and ASQA should be asked to lead project to develop a provider classification framework appropriate to Australia's unique circumstances and needs.

This proposed non-legislative classification framework would have two key purposes. First, to define accurately and reflect the diversity of higher education provider types registered to operate within Australia's vocational and higher education sectors to better inform students and the wider community in their decision-making about higher education. Second, to inform the regulator's independent advice to the Federal Minister for Education and Training, about whether to approve an entity's request to use the word 'university' in its business name under the relevant provisions of the Corporations and Business Names Registration laws.

If such a classification system is established there are two possible options. Either abolish the PCS or amend them to reflect the sector's diversity, encourage new entrants, competition, innovation, and help students and other consumers navigate the system.

While we prefer Option 1, we outline below for the Review's consideration some initial thoughts about how either option could be progressed.

Option 1 - Abolish the PCS

- (i) Shift to regulating the use of the word 'university' in Australia only through the Corporations Act, Business Name Registration Act and associated regulations.
- (ii) Amend the Business Names Registration Act and Regulations and the Department of Education and Training's current "[Guidelines for applications to use the word 'university' in a business name](#)" to permit the Commonwealth Minister for Education and Training to grant a registered Higher Education Provider permission to use the word 'university' in its business name only if the regulator has provided the Minister with a recommendation to grant such permission in accordance with the updated guidelines.
- (iii) Abolish the PCS.
- (iv) The regulator uses the Australian Post-Secondary Education Provider Classification Framework as a reference point when advising the Minister for Education and Training regarding provider request to use the word 'university' in business names, for its approach to regulating individual providers in accordance with the TEQSA Act's regulatory principles, and when collecting data about providers intended for profile and performance monitoring and/or publication purposes.
- (v) The Commonwealth Government establishes transparent criteria for determining which registered Higher Education Providers (and their students) may receive funding support from the Commonwealth from relevant funding schemes for education, research, research training and students in the form of access to loans programs and income support payments.

Option 2 – Amend the PCS

If our preferred option of abolishing the PCS is not supported, we recommend that the Review consider using the development of our proposed Australian Post-secondary Education Provider Classification Framework to inform the development of a new set of PCS along the following lines:

University of Sydney suggested new Provider Categories Standards
<p>Higher Education Providers Applies to all registered providers including universities using the existing criteria. For an entity registered as a Higher Education Provider only: offers predominantly AQF Level 5-7 awards.</p> <ul style="list-style-type: none"> Universities: <ul style="list-style-type: none"> Doctoral University, Very High Research Activity: offers predominantly AQF Level 7-10 awards including Doctoral degrees in at least 15 broad fields of study; may offer AQF awards 8-10 predominantly or exclusively; reports at least 200 PhD completions and \$40 million in external research income annually (indexed to CPI) through the Commonwealth's Higher Education Research Data Collection. Doctoral University, Research Active (Emerging or Specialised) offers predominantly AQF 7-9 awards across all or most of its fields of education; awards Doctoral degrees in at least three broad fields of study, for <i>Emerging</i> reports fewer than 200 PhD completions and research income of less than \$40 million annually (indexed to the CPI) through the Commonwealth's Higher Education Research Data Collection. University College: offers predominantly AQF Level 7-9 coursework awards across all or most of its fields of education; offers Doctoral degrees in less than three broad fields of study; demonstrates that its staff not active in research are active in scholarship and are engaged with and up-to-date with the latest research in their fields. <p>The regulator's register of higher education providers would also include the following information about all registered providers (drawn from the classification): Status: <i>public, private not-for-profit, private for-profit; self-accrediting, provisional; self-accrediting and externally accredited, Australian or overseas in origin</i> Relationship type: <i>parent, constituent part, campus.</i> Sector: <i>higher education only or dual sector; for dual sector: vocational or higher education dominant or balanced.</i> Students: <i>total enrolments, enrolments and completions by AQF level, domestic and overseas student enrolments and completions by AQF level.</i> Research: <i>Number of broad research fields in which the provider awards Doctoral and/or Masters by Research degrees; total Higher Degree by Research completions and external research income reported to the Commonwealth through the Higher Education Research Data Collection in the most recent reporting year.</i></p>

E. How would the needs of providers, students, industry, regulator and broader public interest be served by your suggested changes to the PCS? (Q.5)

The types of benefits (and risks) at play are essentially the same whether the PCS are abolished or amended. It is the scale of the potential benefits and risks that will vary and of course be affected by a range of implementation and other factors. The table below

summarises the key benefits and risks arising from our proposal for each of the identified stakeholder groups. We strongly believe that the benefits of reforms like those we have recommended will outweigh the costs of Australia not modernising the PCS and its approach to registering and classifying higher education providers.

Stakeholder group	Benefits	Risks
Students	<ul style="list-style-type: none"> • Access to much better information about Australia's higher education providers. • Greater choice of providers and study options through the entry of new providers and innovation through competition. • Access to more affordable high-quality and potentially quicker study options. • Improved pathways to higher-levels study. 	<ul style="list-style-type: none"> • Too much information, poorly presented, confuses students. • The classification framework is not well maintained or is rejected by a future Government. • Quality falls if the regulator fails to maintain standards for current and new providers. • Student choice, access and pathways do not improve because the changes fail to encourage new providers, competition and diversification.
Broader public	<ul style="list-style-type: none"> • Better information about Australia's higher education providers. • A higher education system that is more internationally competitive, diverse, innovative and responsive to the needs of the community. 	<ul style="list-style-type: none"> • Too much information, poorly presented, confuses students. • The reforms fail to help improve levels of quality, accessibility, diversity and innovation in Australia's higher education system leaving the community worse off, while damaging Australia's and the sector's reputation.
Industry	<ul style="list-style-type: none"> • Better access to transparent information about Australia's higher education providers. • A higher education system that is more internationally competitive, diverse, innovative and responsive to the needs of industry. 	<ul style="list-style-type: none"> • As above.
Regulator	<ul style="list-style-type: none"> • Access to better information about Australia's higher education providers. • Responsibility for a higher education system that is more internationally competitive, diverse, innovative and responsive to the needs of stakeholders. • A simpler regulatory system to administer, allowing it to focus more of its time and resources on assuring providers meet the requirements of the Higher Education Standards Framework. • Capacity to adapt its advice to Government about provider categories and the use of words like 'university' as the higher education system evolves. 	<ul style="list-style-type: none"> • As above.
Providers	<ul style="list-style-type: none"> • Access to better information reflecting the diversity of higher education providers registered to operate in Australia. • A simpler and less burdensome regulatory framework. • Lower barriers to entry for new providers. • Greater incentives for current and new providers to specialise. • For established university providers, greater transparency and accuracy in the information available publicly about their education, research and research training activities. 	<ul style="list-style-type: none"> • As above.

Attachment A

Table 1: Australian Higher Education Provider Award Course completions, 2017

Australia		Award course completions 2017							
Provider Category	Providers	Bachelor	Masters coursework & Extended	Masters Research	Doctorate Research	Doctorate Coursework	Other awards	Total	Percent
Australian universities	40	131,959	34,317	1,234	5,506	121	39,722	212,859	93%
Australian university of specialisation	1	51	91	2	9	0	194	347	0%
Overseas University & Non UHEPs	129	4,562	2,350	6	10	10	9,805	16,743	7%
Totals	170	136,572	36,758	1,242	5,525	131	49,721	229,949	100%

Source: Department of Education Higher Education Student Statistics, 2017

Table 2: Texas Higher Education Provider Awards Conferred completions, 2016-2017 Academic Year

Texas		Awards Conferred 2016-2017						
Provider Category	Providers						Total	Percent
		Bachelor	Masters	Doctorate Research	Doctorate Prof.	Other awards		
Doctoral Universities: Very High Research Activity	9	57,438	20,833	3,301	1,855	0	83,427	40%
Doctoral Universities: High Research Activity	9	27,487	9,143	521	777	0	37,928	18%
Doctoral/Professional Universities	10	15,907	9,568	492	369	203	26,539	13%
Master's Colleges & Universities: Larger Programs	22	20,677	8,824	64	218	235	30,018	14%
Master's Colleges & Universities: Medium Programs	7	2,553	949	4	50	7	3,563	2%
Master's Colleges & Universities: Small Programs	2	856	164	0	0	229	1,249	1%
Baccalaureate Colleges: Arts & Sciences Focus	2	858	15	0	0	0	873	0%
Baccalaureate Colleges: Diverse Fields	14	2,043	185	4	11	172	2,415	1%
Baccalaureate/Associate's Colleges: Mixed								
Baccalaureate/Associate's	12	307	6	0	0	1,580	1,893	1%
Baccalaureate/Associate's Colleges: Associate's Dominant	5	320	0	0	0	5,722	6,042	3%
Special Focus Four-Year: Faith-Related Institutions	17	256	684	57	7	64	1,068	1%
Special Focus Four-Year: Medical Schools & Centers	4	848	679	289	1,049	34	2,899	1%
Special Focus Four-Year: Other Health Professions Schools	17	2,448	1,555	203	1,434	918	6,558	3%
Special Focus Four-Year: Business & Management Schools	6	1,094	602	14	0	71	1,781	1%
Special Focus Four-Year: Arts, Music & Design Schools	4	454	3	0	0	173	630	0%
Special Focus Four-Year: Law Schools	1	0	0	0	293	0	293	0%
Totals	141	133,546	53,210	4,949	6,063	9,408	207,176	100%

Source: Carnegie Classification Public Data File: <http://carnegieclassifications.iu.edu/>

Attachment B

Carnegie Classification¹²:

http://carnegieclassifications.iu.edu/classification_descriptions/basic.php

Basic Classification Description

The Basic Classification is an update of the traditional classification framework developed by the Carnegie Commission on Higher Education in 1970 to support its research program. The Basic Classification was originally published for public use in 1973, and subsequently updated in 1976, 1987, 1994, 2000, 2005, 2010, 2015 and 2018. In the 2018 update, the Doctoral Universities have been reshaped to better accommodate “Doctor’s degree – professional practice” within our methodology. Please see below for the full methodology.

Doctoral Universities

Includes institutions that awarded at least 20 research/scholarship doctoral degrees during the update year and also institutions with below 20 research/scholarship doctoral degrees that awarded at least 30 professional practice doctoral degrees in at least 2 programs. Excludes Special Focus Institutions and Tribal Colleges.

The first two categories include only institutions that awarded at least 20 research/scholarship doctoral degrees and had at least \$5 million in total research expenditures (as reported through the National Science Foundation (NSF) Higher Education Research & Development Survey (HERD)).

- R1: Doctoral Universities – Very high research activity
- R2: Doctoral Universities – High research activity
- D/PU: Doctoral/Professional Universities

Master's Colleges and Universities

Generally includes institutions that awarded at least 50 master's degrees and fewer than 20 doctoral degrees during the update year (with occasional exceptions – see Methodology). Excludes Special Focus Institutions and Tribal Colleges.

- M1: Master's Colleges and Universities – Larger programs
- M2: Master's Colleges and Universities – Medium programs
- M3: Master's Colleges and Universities – Smaller programs

Baccalaureate Colleges

Includes institutions where baccalaureate or higher degrees represent at least 50 percent of all degrees but where fewer than 50 master's degrees or 20 doctoral degrees were awarded during the update year. (Some institutions above the master's degree threshold are also included; see Methodology.) Excludes Special Focus Institutions and Tribal Colleges. The formal expression of these classifications is (Classification):(Subset). For example: *Baccalaureate Colleges: Diverse Fields*.

- Arts & Sciences Focus
- Diverse Fields

¹² Classifications are time-specific snapshots of institutional attributes and behaviour based on 2016-17 data.

Baccalaureate/Associate's Colleges

Includes four-year colleges (by virtue of having at least one baccalaureate degree program) that conferred more than 50 percent of degrees at the associate's level. Excludes Special Focus Institutions, Tribal Colleges, and institutions that have sufficient master's or doctoral degrees to fall into those categories. The formal expression of these classifications is (Classification):(Subset). For example: *Baccalaureate/Associate's Colleges: Associate's Dominant*.

- Mixed Baccalaureate/Associate's Colleges
- Associate's Dominant

Associate's Colleges

Institutions at which the highest level degree awarded is an associate's degree. The institutions are sorted into nine categories based on the intersection of two factors: disciplinary focus (transfer, career & technical or mixed) and dominant student type (traditional, nontraditional or mixed). Excludes Special Focus Institutions and Tribal Colleges. The formal expression of these classifications is (Classification):(Subset). For example: *Associate's Colleges: Mixed Transfer/Career & Technical-Mixed Traditional/Nontraditional*.

- High Transfer-High Traditional
- High Transfer-Mixed Traditional/Nontraditional
- High Transfer-High Nontraditional
- Mixed Transfer/Career & Technical-High Traditional
- Mixed Transfer/Career & Technical-Mixed Traditional/Nontraditional
- Mixed Transfer/Career & Technical-High Nontraditional
- High Career & Technical-High Traditional
- High Career & Technical-Mixed Traditional/Nontraditional
- High Career & Technical-High Nontraditional

Special Focus Institutions

Institutions where a high concentration of degrees is in a single field or set of related fields. Excludes Tribal Colleges. The formal expression of these classifications is (Classification):(Subset). For example: *Special Focus Two-Year: Technical Professions*.

Two-Year	Four-Year
Health Professions	Faith-Related Institutions
Technical Professions	Medical Schools & Centers
Arts & Design	Other Health Professions Schools
Other Fields	Engineering Schools
	Other Technology-Related Schools
	Business & Management Schools
	Arts, Music & Design Schools
	Law Schools
	Other Special Focus Institutions

Tribal Colleges

Colleges and universities that are members of the American Indian Higher Education Consortium, as identified in IPEDS Institutional Characteristics.

The Profile of Research Excellence in Australia's Universities – The Missing Piece in the Policy Puzzle

Professor Alan Pettigrew
Professorial Fellow, L.H. Martin Institute

Introduction

The Turnbull Government, in one of its final acts before calling an election for July 2016, released a wide-ranging Discussion Paper on the future of Australia's higher education sector. The paper, entitled *Driving Innovation, Fairness and Excellence in Australian Higher Education*¹, considers many aspects of student access, quality of the student experience, and the affordability of higher education. The paper also refers to the Government's *National Science and Innovation Agenda* announced in December 2015², which includes "measures to capitalise on Australia's research excellence while aiming to improve collaboration between universities, industry and other end users". These measures include "extra funding for new streamlined research block grant arrangements to reward research excellence."

Overall, the paper seeks to ensure that Australia's "higher education system supports innovation that will drive productivity, employment, economic growth and the jobs and industries of the future, while providing opportunities for more Australians to benefit". Naturally enough, the Discussion Paper seeks to ensure that Australia's higher education system is founded on excellence and quality.

Universities are institutions in which learning and research go hand in hand. Indeed, Australia's current Higher Education Standards Framework (2011) and the revised Framework that will take effect in January 2017 make this clear for any institution seeking to retain or gain registration as an "Australian University"³.

Research outcomes are also a significant component of various ranking exercises across the globe and an indicator of institutional reputation. Understanding the relative scope and standing of research activity amongst Australia's universities, when viewed in an international context, is therefore critical when it comes to developing and implementing policies that will support a

¹https://docs.education.gov.au/system/files/doc/other/he_reform_paper_driving_innovation_fairness_and_excellence_3_may_2016.pdf

² <http://www.innovation.gov.au/page/agenda>

³ see <https://www.legislation.gov.au/Details/F2013C00169>, and https://www.legislation.gov.au/Details/F2015L01639/Html/Text#_Toc428368862

national innovation agenda. These policies must ensure that Australia has the capability and capacity in research to address national needs in all aspects of society and the economy. However, discussion of these issues is a missing piece in the Government's paper.

There are two main sources of publicly available data in Australia that provide detailed information about research activity in our universities. These are the Research Block Grant (RBG) allocations that are made annually by the Government on the basis of measures of research income (in various categories), postgraduate student load and completions, and research publications⁴, and the *Excellence in Research for Australia* (ERA) reports provided by the Australian Research Council (ARC)⁵.

As has been reported in the past⁶, the proportional distribution of funding to universities through the Government's RBG process is relatively constant year to year but uneven across the sector, reflecting different levels of research activity in individual institutions. This is in large part due to differences in the size of institutions, as well as a long term factor related to changes in the nature of the higher education sector established in the early 1990s through the so-called Dawkins reforms. The older and larger Group of Eight (Go8) universities have always been the top ranked universities. Together they capture the majority of funding. While several younger universities have significantly grown their research activity over the last 25 years⁷, their level of research activity, as measured by the quantum of their RBG, is still significantly less than that of Go8 universities. For example, the RBG allocation for the Queensland University of Technology, which is ranked 9th in the sector, has grown significantly in the last 10 years, but the allocation in 2016 is still 57% of the RBG at the University of Adelaide (8th) and 27% of the RBG at the University of Melbourne (1st).

There have been three ERA assessments in 2010, 2012 and 2015-16⁵. Each assessment has been conducted using a slightly amended methodology, and universities have adjusted to these changes accordingly. Importantly, the ERA 2015-16 utilised expert peer review and international bibliometric data appropriate to each discipline area to determine levels of excellence in research in each university. Each ERA Report contains a wealth of information on each university's inputs and outputs in relation to research activity. The following analysis is restricted to high level aggregate data in the ERA 2015-16 so that a broad picture of research excellence in Australia's universities can be identified.

Research Block Grants and ERA Outcomes

A previous report following the release of ERA 2010⁶ noted the relationship between the level of RBG funding per institution and the number of research disciplines in those institutions that were rated by the ERA as being at 'world standard' or above. The same form of relationship holds for

⁴ <https://www.education.gov.au/research-block-grants> Note that this site also refers to recent changes for future research block grant allocations.

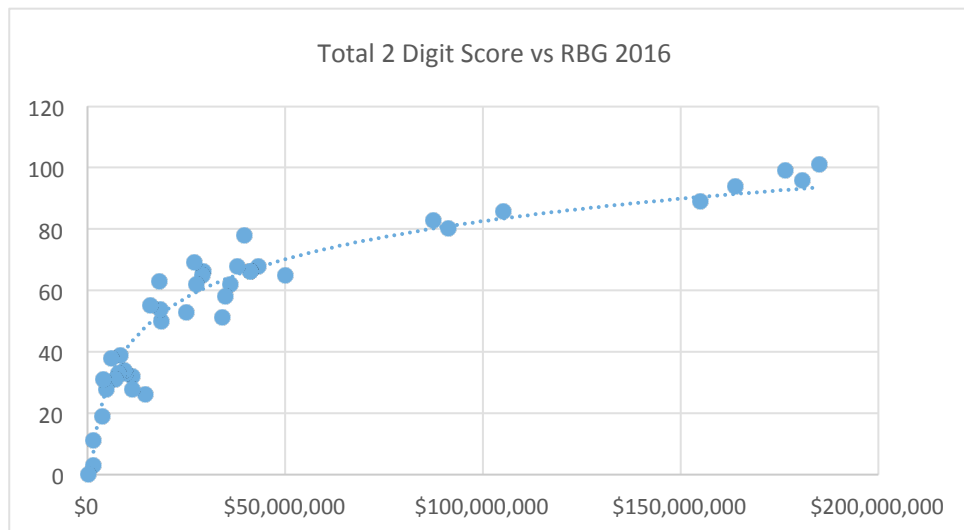
⁵ <http://www.arc.gov.au/excellence-research-australia>

⁶ See for example <http://www.lhmartininstitute.edu.au/insights-blog/2011/03/43-excellence-in-research-where-is-it>

⁷ <http://www.lhmartininstitute.edu.au/insights-blog/2015/07/209-the-history-and-future-of-research-block-grant-funding-for-australian-universities>

ERA 2015-16. Figure 1 shows the exponential relationship between the total ERA 2015-16 score per university and their RBG allocation in 2016. These data include all ratings below, at and above world standard across the 22 discipline areas in the ERA data⁸.

Figure 1



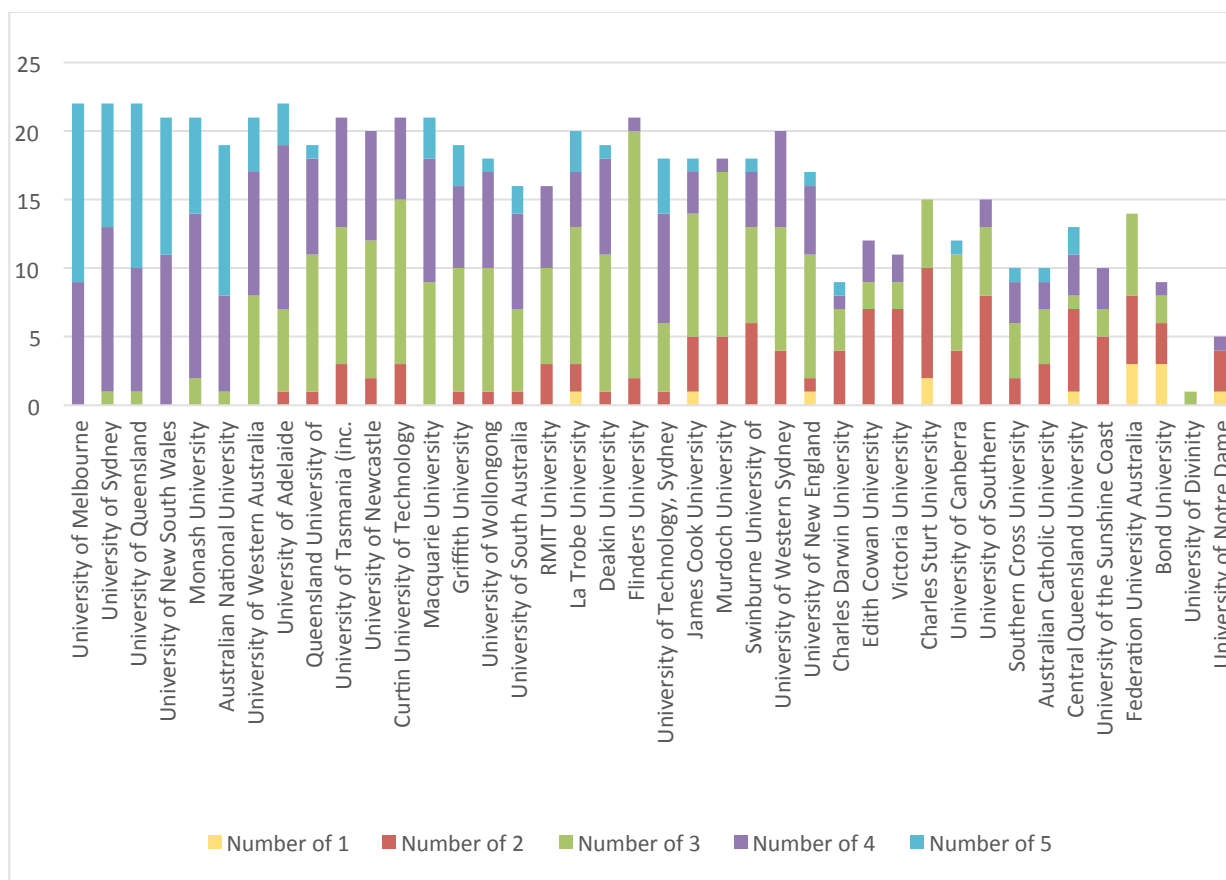
As in 2010, it is possible to identify four groups of universities from these high level data. The top two groups starting from the right of Figure 1 comprise the Go8 universities. The third group shows mid-strong overall performance, while the fourth group comprises universities with relatively low levels of RBG funding (reflecting relatively low levels of research activity) and relatively low total ERA scores.

The ERA assessment conducted by the ARC requires universities to submit research “units of evaluation” for each 2-digit (and 4-digit) coded discipline. An assessment of excellence is made where the volume of these outputs exceeds a level where “there was a meaningful level of data to be evaluated”⁹. Assessments are on a 5-point scale, where 3 is regarded as being “at world standard”, 5 is “well above world standard”, and 1 is “well below world standard”⁵.

In Figure 2, the data for each university (in rank order of their RBG allocation in 2016) show the total number of 2-digit discipline areas in which they received a rating, broken down by the number at each level (1 to 5). Of note here, 28 of 40 universities (70%) received ratings in two thirds or more of the possible 22 discipline areas. This reflects the long standing desire amongst Australia’s universities to be ‘comprehensive’.

⁸ The 22 discipline areas are at the 2-digit code level as specified by the Australian Bureau of Statistics. The maximum score per university is $5 \times 22 = 110$. Further data at the finer 4-digit discipline code level are available in the ARC Report.

⁹ ARC State of Australian University Research Volume 1 ERA National Report 2015-16, Page 5

Figure 2.

To summarise these data, the percentage of disciplines per institution that were rated as being at world standard or above (ERA 3+) is shown in Figure 3A. The percentage of disciplines per institution below world standard (ERA 1 and 2) is shown in Figure 3B. The data in these two figures are plotted against the 2016 RBG allocation for each institution. The data in Figure 3B are plotted for each university in Figure 3C in rank order of their 2016 RBG allocation.

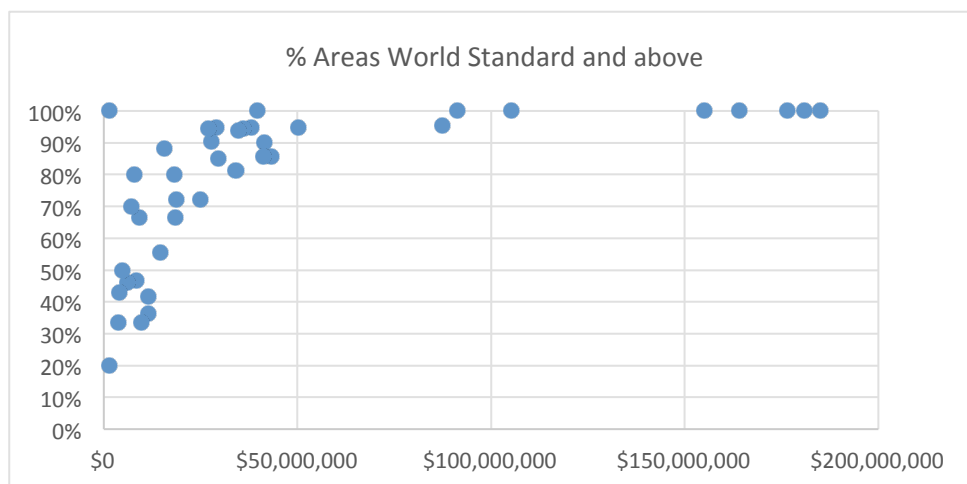
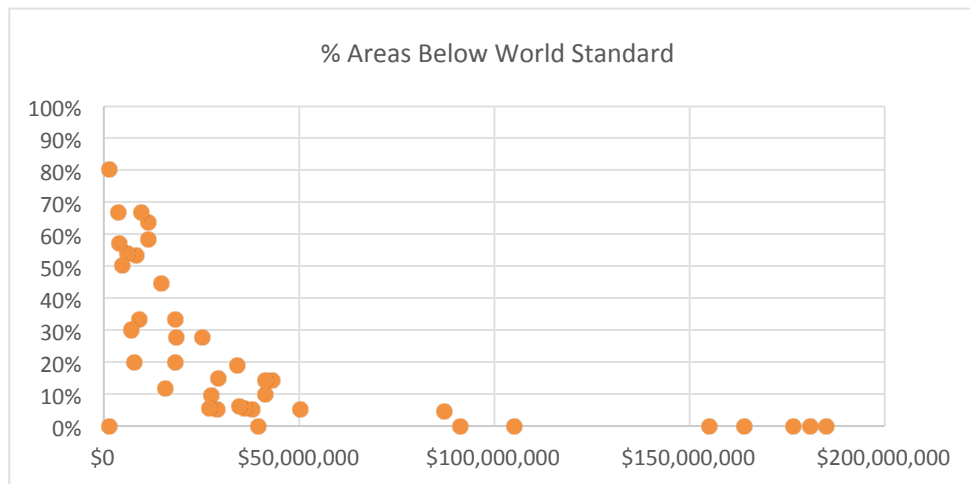
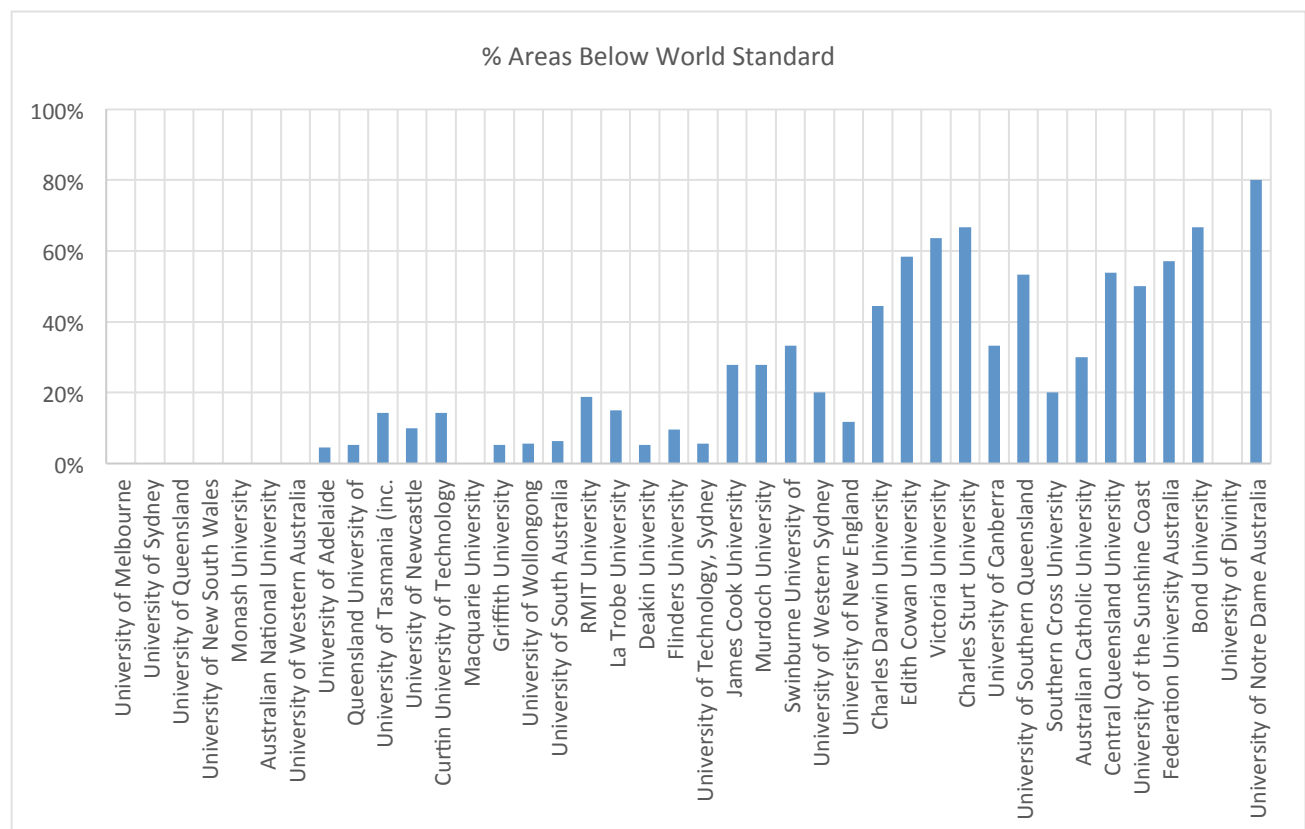
Figure 3A

Figure 3B**Figure 3C**

As has been reported elsewhere¹⁰, the ERA data show significant research strength and excellence in Australia's universities. However, the data in Figures 3B and 3C also reveal that

- 10 out of 40 universities (25%) had more than 44% of their 2-digit research disciplines rated as below world standard,

¹⁰ <http://www.theaustralian.com.au/higher-education/opinion/era-reveals-depth-and-breadth/news-story/8948bd2cca585e90cb5b018aec95fe08>

- these 10 universities had 55% of the sector-wide total number of 2-digit discipline ratings below world standard,
- each of these 10 universities had 15 or fewer 2-digit discipline areas assessed,
- each of the 10 universities received less than 0.9% of the total RBG allocation in 2016, and
- the 10 universities together received just 4% of the total RBG allocation in 2016.

These data raise significant implications for future policy on research activity and outcomes in the Australian higher education sector.

Distribution of excellence by discipline

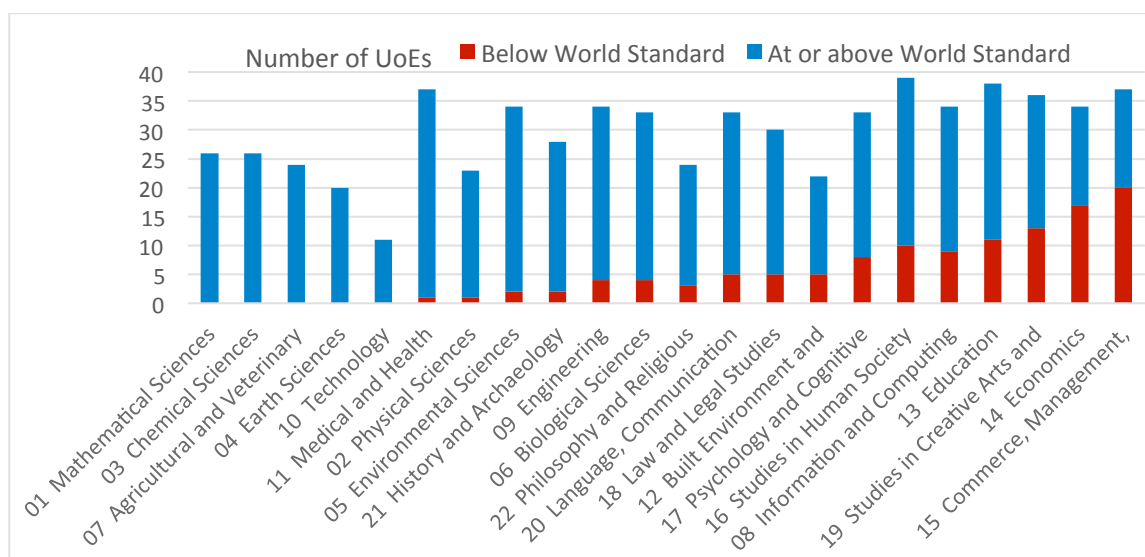
A second critical area for future research policy is to ensure that Australia has sufficient research capacity and capability to foster the “Innovation Boom”², as well as to address both the known and unexpected challenges that the nation will face in coming decades. The ERA 2015-16 data provide a picture of our current standing across the range of disciplines that have been assessed.

Figure 4 shows the total number of ratings in each 2-digit discipline area. The maximum is 39 for Studies in Human Society, indicating that all but one university was rated in this area. The lowest number of ratings is in Technology, with just 11 institutions assessed in this discipline area. Fortunately, the research in Technology in all these institutions is at or above world standard. The same holds for Mathematical, Chemical, Agricultural and Veterinary, and Earth Sciences.

In Medical and Health Sciences, 37 of 40 universities have been rated¹¹ and 97% of these ratings were at or above world standard. Indeed, this discipline has 28 universities assessed as having research above world standard (72% of those rated), closely followed by Environmental Sciences at 26 universities (76% of the 34 universities rated). Australia can be justifiably proud of the level of activity and excellence of research in these disciplines across its universities.

At the other end of the spectrum, 50% or more of the research conducted in Economics, and Commerce, Management, Tourism and Services, which takes place in 34 and 37 institutions respectively, has been assessed as being below world standard. The ERA exercise has established that the majority of assessments below world standard occurred in those institutions whose RBG ranking was in the lowest third of all institutions.

¹¹ The ARC did not rate submissions from two universities, citing “coding issues” (ARC State of Australian University Research Volume 1 ERA National Report 2015-16, Page 364).

Figure 4

Conclusions

Overall, the RBG and ERA data illustrate some important challenges that are currently missing from the discussion on higher education initiated by the Turnbull Government. These challenges include, for example,

- addressing the high proportion of below-world-standard research in some broad disciplines that extends across many institutions; and
- reducing the percentage of below-world-standard research outcomes in those smaller institutions that currently have relatively low levels of research activity in smaller ranges of disciplines.

Strategies might therefore be needed to either

- encourage deeper specialisation of research in fewer areas in some universities where their scale is not conducive to supporting world class research in a more comprehensive range of disciplines; or
- facilitate the development of ‘specialist teaching’ institutions or strategic partnerships between universities with complementary capacities and capabilities in teaching and research.

Government policy for higher education needs to now move forward from the decades old ‘unified national system’ approach of competitive neutrality in research funding mechanisms, to a system that is more strategic and needs-based. Perhaps there is also room for the system to encourage greater strategic collaboration between the nation’s universities, as distinct from competition. To do nothing might simply make explicit the notion that Australia expects and accepts that there will always be pockets of disappointing outcomes across the nation’s university sector. This ‘do nothing’ scenario will not make the best of a sector that is characterised, albeit somewhat unevenly, by world standard or better outcomes in research. We should aspire to being even better.