

30 July 2008

Professor Denise Bradley AC
Chair, Higher Education Review Panel
Secretariat
Review of Australian Higher Education
GPO Box 9880
CANBERRA ACT 2601

Dear Professor Bradley

Re: Submission to the Review of Australian Higher Education

Please find attached a submission from Holmesglen in relation to your review of higher education. The submission focuses on the creation of alternatively configured institutions in higher education.

We would be pleased to discuss any aspect of the submission with your panel.

I wish you well with your deliberations.

Yours sincerely



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HOLMESGLEN

INSTITUTE OF TAFE

**Submission to the Department of Education,
Employment and Workplace Relations**

in response to the

**Review of Australian Higher Education Discussion
Paper**

July 2008

This submission is made on behalf of the Board of Holmesglen Institute of TAFE by:

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Submission Structure

This response to the Higher Education Review is provided in six parts:

1. Executive brief
2. A statement outlining a case for changing the current structure of higher education
3. A model for a new form of institution within higher education
4. Options for the establishment, governance and funding of new forms of institutions
5. A concluding statement outlining the benefits to higher education of the reform
6. Appendices

1. Executive Brief

Holmesglen Institute of TAFE welcomes the opportunity to provide response and input to the *Review of Australian Higher Education* discussion paper. The review is timely and an essential step in ensuring the nation has the appropriate institutions to provide the range of educational services required now and in future decades. The discussion paper clearly raises the issue of broadening the base of participation in higher education for older adults (25 years or older) and those who are often marginalised and excluded from participation especially in relation to undergraduate education.

Holmesglen is committed to the belief that to flourish in a globalised knowledge-economy Australia must work towards the provision of high quality education that is underpinned by equality of access and the fostering of life long learning.

Our response proposes that greater diversity in higher education, especially at the undergraduate level, would open access and foster a stronger match between the models of teaching and learning employed, the purpose of the qualification and the needs of the student. Currently, the traditional university model does not engage all people who are seeking and would benefit from higher education opportunities. We contend that the benefits of applied learning and vocationally focussed professional qualifications within the higher education sector are undervalued but that their wider availability and promotion would engage new cohorts of students and lower the barriers to access.

Our response proposes the creation of a new form of higher education institution that:

- ▶ focuses on attracting mature age students and those often excluded from participation;
- ▶ provides an environment that supports mature age access through the provision of:
 - clearly articulated pathways and access from one AQF level to another;
 - short, carefully structured, 'foundation programs' designed to enhance educational success for the educationally disadvantaged (similar to the successful Foundation Degree in the UK);
- ▶ is renowned for teaching and educational excellence using an applied learning pedagogy based on evidence-based industry practice and employability skill outcomes;
- ▶ assists in the retention of students in higher education;
- ▶ complements rather than competes with traditional universities;
- ▶ is jointly owned by private industry and government or by private industry;
- ▶ is a one stop shop for Commonwealth funded applied post compulsory education from Year 11 to Masters Degrees; and
- ▶ is able to blend an entrepreneurial and international focus with educational excellence.

Central in this response is:

- ▶ The proposed new model for higher education would have institutions which offer programs from post compulsory to Masters.
- ▶ The development of professional degrees that provide articulation and pathways from Certificate III and Certificate IV.
- ▶ The development of 2-year foundation programs (similar to the successful Foundation Degree in the UK) which not only incorporate a vocational qualification (say Cert IV) but also appropriate educational underpinnings to assist students to be successful with their higher education. (See Appendix 3 for a diagram outlining the proposed pathways within the new higher education institutional model.)
- ▶ Our experience with, in particular, new arrivals to Australia is that they want to do higher level vocational studies immediately and do not want to undertake compensatory studies which they do need for success. Similarly, many Australians who return to study adopt a similar position.
- ▶ That the new institution would act as an *educational hub* offering its own para-professional and professional programs, hosting programs on its campus from other tertiary educational providers, and mentoring and auspicing programs to other groups – especially the foundation program to educational institutions and agencies that assist with refugee, indigenous and migrant settlers.

What is now needed is a new form of institution or university to extend and diversify the options and teaching and learning methods available to Australians while at the same time clarifying the purpose and audience of the range of players within the sector. This new institution will offer differences while complementing the existing structures. It will provide a ‘natural’ pathway for TAFE/VET graduates and free universities to focus on their important core business of research and higher level program delivery.

We contend that the creation of this new form of institution will need to have included in its nomenclature the title ‘University’ to attract candidates, for parity of esteem and to reflect a new and higher level form of educational offering.

Holmesglen has found “institutional titles” and status to be a major disincentive to encouraging recruitment in relation to applied or professional undergraduate courses. Whether these new institutions should be called “University Colleges”, “Vocational Universities” or “Polytechnic Universities” has not been deliberated – but we believe that whatever title is used it should be promoted widely and recognised internationally. We also note that while “polytechnic” and “university” are understood and have currency internationally that TAFE does not enjoy the same brand recognition which is an important consideration of those institutions who are reaching beyond their local communities.

We also raise the question whether current higher educational protocols are too narrow to really create a diversified higher education sector.

We propose that the new institutions could be most easily created by the establishment of benchmark standards to underpin recognition/accreditation and by the extension and redevelopment of a number of the existing appropriately resourced and experienced TAFE institutions. Data on existing student types suggests that TAFE institutions are more attractive to the provision of courses for mature age students (refer to Appendix 2).

Our paper concludes with some discussion about how change could be achieved. A private industry public partnership is suggested to guarantee some differentiation not only in educational provision but in terms of focus, entrepreneurial capacity, internal status and potential growth.

We claim that such an arrangement could lead to more vibrant and responsive VET and higher education environment.

It is time to bring clarity to the community. Holmesglen believes that with clarity of purpose, better branding and greater diversity in the range of higher education institutions serving Australia that the goal of increased participation and a skilled, engaged and learning nation will be achieved.

2. The Case for Change

The Higher Education Landscape

Australia has moved from considerable institutional diversity in the 1960's to very little by the early 1990's and now as a result of this review may consider moving back towards greater diversity.

The move to greater diversity supports the directions established in the 2005 review of the *National Protocols for Higher Education Approval Processes* which identified a course intended to increase diversity in the tertiary education sector. What remains unclear is the relationship of the current review and the revised National Protocols given that on 31 December 2007 the Protocols came into effect.

The new arrangement put in place by the Protocols seek to diversify the shape of the higher education sector and will allow the creation of new types of institutions including specialised universities that focus teaching and research to a limited number of discipline areas and a new category of institution, the University College. The University College model provides a clear pathway for education institutions to develop into full status universities under the mentorship of an existing university. The protocols also provide clearer arrangements governing (and encouraging) the operation of off shore providers of higher education in Australia. (MCEETYA 2007)

Whilst the Protocols purport to increase diversity in the tertiary education sector what they are actually setting up is more of the same type of institution, namely a university. The diversity is through nomenclature only, and does not attempt to address the issue of diversification of programs or in fact diversification of students entering higher education in Australia. It is time to move away from the narrow interpretation of university to a type of institution that actually aims to broaden the type of student attending and the teaching methodology that underpins delivery.

Regardless of where the Protocols currently sit, the Discussion Paper clearly outlines the need for the higher education sector to diversify. We strongly agree that:

- ▶ Australia needs to encourage individuals to participate in higher education irrespective of age and socio-economic status if we are to meet the new environmental, social and economic challenges that are arising and if we are to prosper as a nation;
- ▶ engaging higher education internationally helps us to be confident of our place in our geographic region and enables us to be an active and informed participant in the development of international social and economic development and the Higher Education sector needs to be internationally understood;

- ▶ access to higher education especially undergraduate higher education can enhance social inclusion and reduce disadvantage within Australia. If we are able to broaden participation in higher education in Australia we can ensure economic prosperity and literally enrich the lives of Australian citizens. This is the potential of higher education.

Apart from the broad issues canvassed in the Discussion Paper we believe that some of the fundamental problems with the existing system are that:

- ▶ higher education is a confusing concept. In Australia, it has become a *de facto* term for the university sector however significant provision is made via registered higher education providers that are not universities. As the focus of the Discussion Paper lies in developing ways to open the higher education sector to more participants, perhaps a preferable terminology to use would be "tertiary education", to distinguish it from the compulsory forms of primary and secondary education;
- ▶ the great majority of Australians will not access higher education for a number of reasons including a lack of positive experience with earlier forms of education that lowers their confidence, a lack of relevance of traditional offerings to their work and personal needs and a model of learning that is overly 'academic' and does not engage with practical or applied learning styles;
- ▶ the existing structural arrangements for higher education are not suited to a society that aspires to enhance its citizens' social and economic status and for a country that wants to be an active and influential participant in global social and economic change.

It is necessary, we believe, to make the kind of change to tertiary education in Australia that will enable it to be sufficiently diverse and flexible to adapt to future challenges. The US and European systems, for example, have a very wide range of institutions which offer easily accessible education to non-traditional students at modest cost to themselves and government.

In its '*Australia's Universities: Building our Future in the World*' paper from 2006, Labor suggested replacing the then current funding agreements with more flexible compacts that could be tailored more closely to the particular circumstances of universities. This model recognised that different universities have different roles in contemporary society from the traditional functions of teaching and research to community services and innovative activities. The compact model was a way of moving the sector to a more market driven approach.

Reinvigorating TAFE

While focussing on the benefits of increased diversity in higher education it is worthy of mention that Holmesglen believes that there are benefits to be gained for TAFE and the VET sector by clarifying roles and opening options for students.

Currently, TAFE is 'squeezed' with both the secondary school sector and universities offering VET programs. We would argue VET offerings are also frequently made without the depth of industry expertise or relevant teaching capacity that TAFE can offer. In contrast, there are significant hurdles placed in the way of TAFE to expand and diversify its offerings. This is not simply a cause for complaint about the inability of TAFE to compete on an even playing field. There are also concerns about the ability of Australia's education system to offer logical pathways for students and focussed, high quality, teaching and learning based on the inherent strengths and clarity of purpose of the various institutions. In recent times the simple model that is in many people's minds of schools, TAFE/VET and Universities each having distinct roles has been blurred.

Figure 1: Traditional View

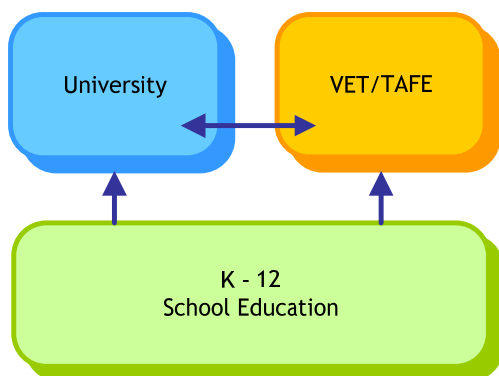
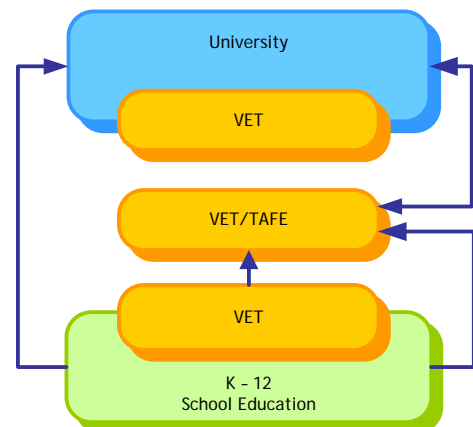


Figure 2: Current Delivery Relationships



TAFE has a long and strong history in providing industry-focussed vocational education and training particularly in areas of initial 'work ready' training and apprenticeships. What is now needed is a new form of institution or University to extend and diversify the options and teaching and learning methods available to Australians. This new institution will offer differences while complementing the existing structures. It will provide a 'natural' pathway for TAFE/VET graduates and free universities to focus on their important core business of research and high level program delivery.

A New Broader Base of Tertiary Institutions

We believe that there are benefits in encouraging the development of alternative forms of higher education institutions which are treated similarly but have a different educational profile to universities. The current structure of Australian higher education does not meet our needs as a country and is outmoded in comparisons with other OECD countries who have broadened the types of higher education institution to include organisations other than research based universities. For example, the higher education system in Finland comprises universities and polytechnics, in which the admission requirement is a secondary general or vocational diploma. Universities, which are academic or artistic institutions, focus on research and education based on research. Polytechnics also offer degrees and postgraduate studies. Their programs are characterised by applied learning and teaching excellence. They offer programs in seven distinct areas, Natural Resources; Technology and Communications; Business; Tourism and Hospitality; Health Care; Humanities and Education; and Culture. We believe that a lot can be learnt from the model in Finland and the reasons for the change in their higher education sector. A number of parallels can be made with Australia.

In the considerably diverse US higher education sector there are 'for profit' universities such as Phoenix and Kaplan for example, that focus on highly vocational oriented degrees aimed at older students usually in full employment. In the main they are staffed by part time teachers and do not engage in research.

Holmesglen believes that the best outcomes will be achieved by having a clear focus and a strong match between the models of teaching and learning employed, the purpose of the qualification and the needs of the student. Currently the benefits of applied learning and vocationally focussed qualifications are undervalued and the benefits of delivery offered by TAFE institutes are similarly poorly recognised.

Opening Access

The current (undergraduate) university structure in many ways limits access for some groups in society. Year 12 (VCE in Victoria) in the secondary system is essentially designed for university entrance, yet in Victoria, fewer than half of the students who complete VCE actually proceed to university.¹

Holmesglen has also long been concerned that not only is the focus of Year 12 as a university entrance 'hurdle' less than effective but that it also acts to 'detach' many students from the education system by offering a learning model that does not engage those for whom applied learning in an adult environment is needed. Holmesglen has already launched a Vocational College for young people, aged approximately 15-17, who would otherwise not succeed in an academic environment and are at risk of adding to the statistics of early leavers. This experience has also informed Holmesglen's commitment to a learning model and pedagogy that is designed to reach out to new cohorts and build a more robustly

¹ One study found that 40.8 percent of those who had completed VCE in 2002 proceeded to university. The study noted that nearly three-quarters of the Year 12 students in 2002 applied for a tertiary place (includes university and VET). Aspirations for tertiary study (as well as acceptance of offers) differed according to school type, however (Teese, Polesol and Mason 2004).

educated society where people maintain a life-long connection with learning. The Vocational College has greatly assisted in the retention of young people in education and training and this has been partly due to the opportunity for seamless pathways for those students from their post compulsory study through to other courses offered at the institution. The courses proposed at this new institution would be of great benefit to younger students who prefer an applied learning vocationally focussed environment.

Flexibility and Responsiveness

While current university undergraduate programs cater well for exit-Year 12 students who flourish in a traditional academic environment Holmesglen is not persuaded that the existing range of programs engage or meet the needs of other cohorts particularly those who are already working or seeking to return to the workforce or who are unfamiliar with the prevailing educational norms such as newly arrived migrants and older people.

The move by a number of leading universities, such as the University of Melbourne, to offer only a small number of broadly based undergraduate degrees with a pathway that will encourage students to 'top up' their initial degrees with specific (often vocationally) oriented qualifications while desirable for many younger students will be less attractive to the cohort that Holmesglen currently serves and wishes to increasingly serve in the future. Pathways that lock students into 5, or more, years of study will be daunting for many. A significant proportion of prospective students also seek the more rapid acquisition of practical skills and knowledge while wishing to keep their future options open by also achieving a degree level qualification - this cohort currently finds it difficult to 'see' a place for themselves within universities but require more than is offered by traditional TAFEs.

Pathways into degrees and models of packaging degrees and other qualifications need to become more flexible if diverse needs are to be addressed.

Links into higher education study for the full range of potential students are underdeveloped and cultural and environmental factors within our tertiary sector institutions also limit the flexibility of approach to learning that many seek. For many years there has been a demand for pathways into university from VET. It is not an exaggeration to say that despite the millions of dollars spent on attempts to develop pathways and access, the university sector has failed to respond. Despite good intentions the articulation, or transfer arrangements from VET providers to universities has for a variety of reasons proven to be ineffective in terms of guaranteeing access, unless the candidates are international students.

Addressing Status and Esteem

Holmesglen recognises that many of the barriers to improved access and articulation between institutions are intangible and often are cloaked in issues of esteem, status and hierarchy - none of which are easy to discuss and even less easy to address.

The Discussion Paper outlines the issues in relation to broadening access to and participation in higher education by students from a wide range of backgrounds and, in particular, students from socially disadvantaged groups that have low levels of participation in conventional higher education. The following table shows that the higher education sector is lagging behind VET in terms of access to tertiary education for equity groups.

Table 1: Comparison of disadvantaged groups' participation in higher education and VET

Equity groups	Higher education	VET
	% of total students	% of total students
Aboriginal/Torres Strait Islanders	1.3	3.3
NESB	3.8	19.7
With disability	3.3	3.9
Rural	18.6	30.0
Remote	0.2	3.7
Low economic status	15.3	25.0

Source: Karmel and Nguyen 2003

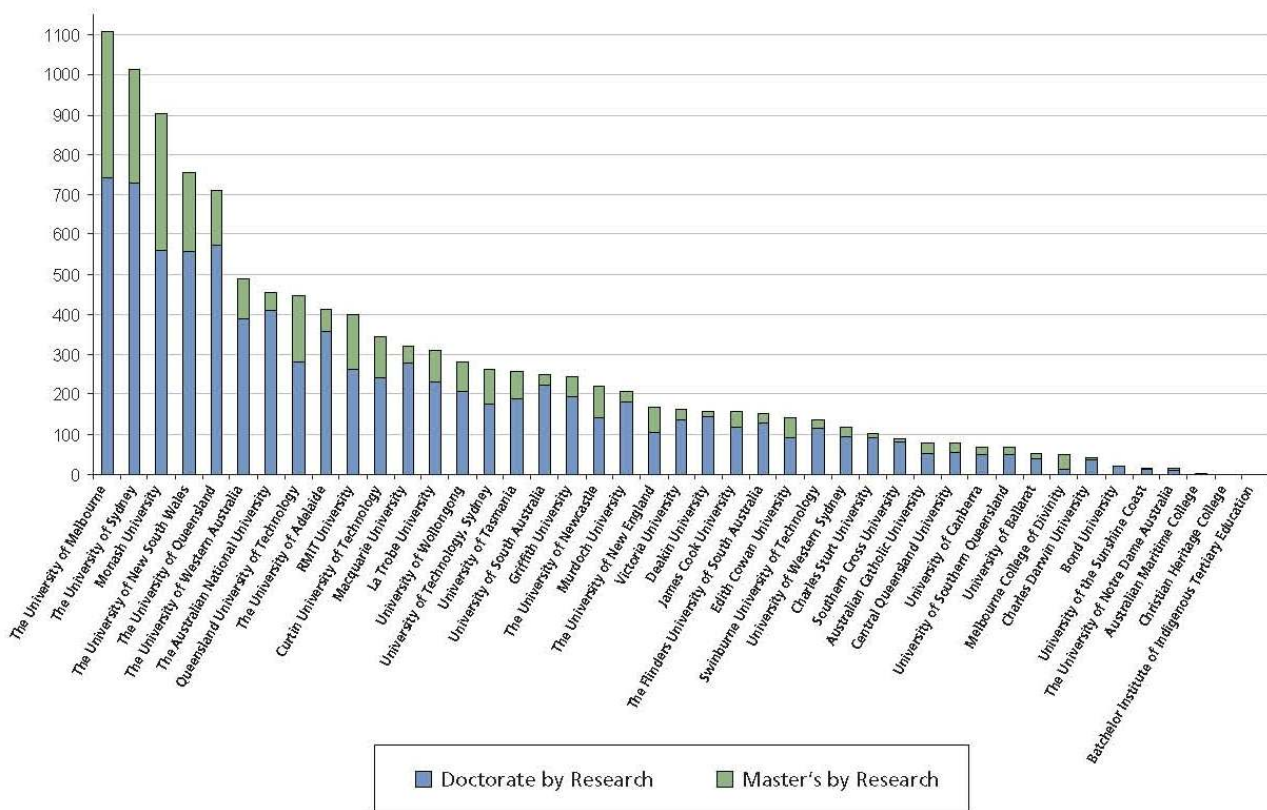
Building Acceptance- Research and Higher Education

The structure of tertiary education has meant that persistent skills shortages still exist in industries such as health sciences because the professions argue that these areas can only be educated appropriately in the higher education sector. However, in this instance higher education is used as a synonym for universities.

University education brings status and, for many associations who act as gatekeepers into professions, the view is held that higher education delivered within a university is superior because teaching in universities is informed by research. In fact in a recent article the Executive Officer of the Royal College of Nursing suggested that allowing a TAFE to deliver a nursing degree was akin to allowing medical education be conducted in a barber shop!² There is little quantitative data to support the proposition that all universities are seriously engaged in research. For example Figure 3 on the following page demonstrates the wide variation in commencing higher degree students by research in Australian universities. Whilst student numbers commencing research degrees may not be a complete picture of the research effort undertaken by universities, it is certainly an indication of the institutions where students undertake research activities.

² 'Fight to stop RN degrees at TAFE', *Campus Review*, vol. 17, no. 44, 6 November 2007, p. 12.

Figure 3: Commencing higher degree students by higher education institution, 2006



Source: DEST 2008

Holmesglen believes that research is a fundamental role of universities and should indeed be expanded and encouraged. There are, however, other universities that do not currently fulfil this role actively and, it is contended, do not offer all their students the inherent strengths of teaching informed by research. It is also the belief of Holmesglen that there is a clear role for other forms of teaching and learning grounded in evidence based industry practice with an applied learning pedagogy that should be recognised and receive parity of esteem within the community. This, however, will only be achieved if there is a conscious effort to create a differentiated but equal higher education institution in Australia's tertiary sector.

It is contended that what is required is the clear division in the types of universities in Australia and the courage to signal real change to the Australian higher education sector. Removal of the necessity for a new form of vocational or polytechnic university to conduct both teaching and research could also assist institutions that are now undertaking research simply to retain their university status. Freeing up these institutions from research obligations would allow them to concentrate their efforts on other areas, for example, allowing more flexible entry, assuring greater access for a wider range of students or improving levels of teaching.

Universities themselves tend to be similar across jurisdictions and the predominance of a single-model modern Australian university is discussed in the Discussion Paper. With the demise of the CAEs in the early 1990s however, there was a move away from specific vocationally oriented degrees to general one-size-fits-all degrees being offered at undergraduate level. The lack of applied educational qualifications offered at undergraduate level (aside from the traditional areas of law, medicine, dentistry and so forth) has only been readdressed by the development and delivery of applied higher education programs outside the university sector by other accredited higher education providers. Holmesglen has followed this path and can attest to the unnecessary complexity and barriers that are placed in the way of TAFEs seeking to broaden their offerings and providing degree and higher level qualifications.

The current regulatory environment for higher education has contributed to the lack of diversity in higher education. As a result access for places in higher education has been curtailed by the lack of diversity.

An Even Playing Field

University status gives an institution many advantages over others in the tertiary education sector. One such advantage relates to self accreditation. Universities are able to develop Diploma courses that do not necessarily comply with VET accreditation principles, a luxury that their TAFE institute competitors cannot enjoy. This gives the universities an unfair advantage over nearly all other institutions in the Australian tertiary education sector and, once again, blurs the boundaries between the types of tertiary institutions and adds to market confusion. We believe that it is time to welcome the diversification of the tertiary system which would serve to broaden choice for students, strengthen the capacity of the TAFE sector and help address critical skills shortages in Australia.

3. A proposed model for higher education

We are proposing a model for a new form of institution that builds on the strengths of both the current higher education and vocational education sectors and assists with developing greater institutional clarity, differentiation and choice.

This new institution and model of education would actively encourage new entrants to higher education. The hallmarks of this new model will be accessibility, flexibility, work-focus and an unswerving commitment to evidence-based applied learning. While it is not practical or appropriate to include a detailed description of the model in this submission, Holmesglen offers for further discussion and debate the following features which are essential to expand access to higher education.

A Focus on Teaching Excellence and Scholarship

Holmesglen recognises the significant role played by universities by undertaking and fostering research. Holmesglen is also committed to ensuring there is clear differentiation between the types of higher education institutions and their purpose. A major distinguishing feature of the new model of university is that it will have an emphasis on teaching and scholarship grounded in evidence-based industry practice rather than research.

In order to foster the increased engagement of a new cohort of students there will also be considerable investment in the development of a truly supportive learning environment for new learners and mature age people returning to study.

Seamless Pathways

All developed economies are striving to build commitment to life long learning. It is realised that for a community to flourish in a competitive and globalised world that the ongoing skill formation and development of the workforce, and community at large, is required. All too often a return to study is seen as a major barrier. There are also many people in the community with extensive skills and experience but no qualification.

A great deal has been said about creating 'seamless' pathways so that candidates are facilitated in building on an initial qualification or entering a qualification pathway at a level congruent with his or her experience and skill. While some success has been achieved within TAFE towards this end the inability of these institutions to offer higher qualifications places a ceiling on the range of offerings that are possible and therefore a ceiling on the skill development available to candidates who gravitate towards providers of applied learning.

Pathways between TAFE and traditional universities are far from seamless and often represent too great a barrier for potential candidates.

The creation of a new model of university provides an opportunity to maximise access and attachment to learning by offering, in-house, a seamless pathway for

students from Certificate III to Masters level (see Appendix 3 for a sample structure of a seamless pathway to postgraduate studies).

A New Curriculum Model

The new form of institution would see a curriculum model based on educational and vocational outcomes but not tied to the national VET Training Package system which is central to the role of TAFEs.

At the heart of all its offerings will be a commitment to the extension of an evidence-based industry-focussed applied learning methodology to all qualification levels together with the introduction of new methods of packaging qualifications to increase flexibility and open access.

We are proposing a curriculum model that:

- ▶ has an academic foundation program for those students who suffer from educational disadvantage which includes a customised program of language, literacy, academic skills and vocational outcomes;
- ▶ includes the development of applied programs in specific areas such as Built Environment; Health Care; Business and Administration; Engineering and Telecommunications; Social Services; Education; Hospitality; and Design with at least three areas leading to Master's program.

Strong industry links and an emphasis on industry skill needs and employability skill outcomes would also underpin all qualifications and delivery to facilitate optimum graduate outcomes. Industry partnerships would enhance the learning experience through:

- ▶ direct industry input in the development and review of curriculum to ensure that content reflects the current context and 'reality' of the workplace;
- ▶ facilitating opportunities for appropriately qualified and experienced industry professionals to teach within a program;
- ▶ the creation of well supported field placement opportunities and employment opportunities for students;
- ▶ facilitating opportunities for teaching staff to maintain their professional currency; and
- ▶ the collaborative exploration of innovative teaching and learning practices.

A further characteristic of the new institution would be that it would be non self-accrediting, but would have the potential to work towards self accreditation status over some years of operation.

An Educational HUB

The new university model would also act as an educational HUB or precinct promoting the delivery on behalf of affiliate organisations. The new university would:

- ▶ enter into agreements with other tertiary providers to offer their programs to a new cohort;
- ▶ provide a foundation degree which would be used as a vehicle for mature age students in other institutions to return to study at the new institution and then go to other universities with credit into a bachelor degree not offered at the new institution;
- ▶ deliver the Foundation program to students referred from host universities;
- ▶ build the capacity of the partner institutions.

Size and Scale

Size and scale of the new institution is important because of the perceived status that comes with quality of facilities, the capabilities required to meet diverse student needs and the capacity to cater for a diverse range of students. There would need to be at least 10,000 EFT students, with substantial numbers enrolled in tertiary education courses (Certificate III level and above). Courses would need to be offered over the seven fields of study or disciplines. This would ensure the requisite depth of program provision expected from a higher education institution.

To support the substantial student numbers, the new institution would be required to have high quality services for their students to support their study. These services would need to include student services, libraries, on-campus IT facilities, grievance procedures and so forth.

Serving a Local and International Market

The new institution would need to have a significant international focus, but international students would not be the majority of students. As the Australian domestic market is comparatively small, the new institution would also need to have the capacity to become active in the international marketplace to ensure its long-term growth and diversification.

In this respect branding and nomenclature are important. Elsewhere in this paper the issue of status, recognition and esteem is addressed. Holmesglen is keenly aware, from its international experience, that the TAFE brand has little international recognition. It is essential if the full potential of Australia's export education and training capacity is to be recognised for a new brand such as 'Polytechnic University' be developed.

4. Options for Establishment, Governance and Funding

Given the need for a new form of institution the question arises about the best, fastest and most cost effective means of establishing the new entities.

Finding workable funding and governance models will be, of course, critical and this submission contends that new approaches driven by the Commonwealth will be central to success.

Options for Establishing an Alternative Institution

Creating a new institution is a complex and time consuming task and it is believed one that Australia cannot afford to wait 5 years to achieve. It would appear logical to put in place processes to enable existing non-university tertiary providers to build their capacity and extend their scope and, in doing so, move into the role of the 'new university'.

Not all existing non-university providers will have the capacity to achieve this and Holmesglen proposes that benchmarks be established for potential new institutions that would ensure providers with a viable scale, existing links into the broader tertiary sector, appropriate breadth of offerings and international capacity are selected to initiate the change.

It is also recognised that mergers between existing institutions, particularly small and narrowly focussed regional providers, will occur to enable the benchmark standards, as they are established, to be met. It may also be likely that small regional universities that currently struggle to meet the requirements of a broadly based and thriving university may also choose to re-focus their priorities and seek to become a new form of university either independently or in partnership.

Holmesglen also believes that it is essential for the new form of institution to be independent of existing universities. Attempting to establish an alternative higher education institution as, for example, a satellite campus of a large metropolitan university would suffer from the existing difficulties that multi sectors in Victoria and satellite campuses currently face. Ultimately the identity, processes and approaches that universities bring to the provision of education swamp smaller and vocationally focussed entities.

The creation of independent new institutions will enable more flexible, creative and 'fleet of foot' providers to emerge as credible members of the higher education sector.

Funding and Governance

Currently, most TAFE and non-university providers are constrained in their capacity to achieve growth (and viable scale) from Australian students because they can only use fee-for-service activities and cannot access Commonwealth funds.

We believe that the best chance of creating diversity in student enrolments in higher education does rely on developing criteria for the movement of some TAFE institutions into the proposed new form of tertiary institution. In order to achieve this goal a strategy would have to be developed that would encourage State governments to support the new approach.

TAFE institutions that are registered as higher education providers are controlled by State Government - but some do have the size and scale that could be relatively easily developed to become successful alternative higher education providers and 'new universities'. This is particularly the case in Victoria where there are decentralised governance arrangements in place.

It is unlikely that state governments would unilaterally support changing existing universities in their jurisdiction to some other form of higher education provider. Equally State governments would need to have identified some advantage to the reconfiguration of some of the larger TAFE institutions. (Our assumption is that the existing Boards of some TAFE institutions would see benefits in alternative funding and governance models to that which currently exists.)

If we set aside the educational, social and economic benefits that would arise from the creation of large scale alternative higher education institutions, we believe that in terms of the Commonwealth/State divide it may be possible to achieve agreement on diversity by emphasising the benefits that diversity brings in relation to increased competition and the opening of markets. Competition and contestability are favoured strategies by Commonwealth and State governments particularly in VET.

Most jurisdictions have experimented with various competitive strategies with very poor outcomes. Where competition has been used as a stimulus, it fails because the size of the provider competing in the market against large public institutions is too small to impact in any significant way on markets.

We would argue that if Australia is to attract investment from private sources then having a myriad of jurisdictions to deal with would act as a disincentive. In addition our view is that dual sectors have demonstratively failed to create diversity and one reason is they have multiple jurisdictions to deal with. It is seen that one funding body would assist in parity of all courses within the institution.

Moving Towards Implementation

Our view is that positive change could be achieved by the Commonwealth, for example through a body similar to the Commonwealth Tertiary Education Commission, calling for tenders for the establishment of new higher education institutions and invite the States to make application. Clearly in this situation the criteria for selection would need to be capable of objective assessment. This model assumes that the Commonwealth would take over the recurrent and capital funding of these institutions and reimburse the State for the capital component (where a TAFE institution is included) and enter into an agreement to provide transition provisions for educational matters that the State regarded as economically and socially significant. A key issue would be whether or not the newly configured provider could compete for tendered State funded places in VET. Our assumption is that it would be able to compete.

An alternative model would be for the Commonwealth to invite interested parties to tender for or express an interest in the creation of new diversified institutions (as described) and to invite the private sector to tender. Our assumption here is that the private sector would purchase from a State the facilities and equipment associated with an existing TAFE institution and in return enter into a five-year contract with the Commonwealth to deliver an agreed profile. This contract could have been agreed with the State government prior to the asset sale. It may well be that a transition period occurs with the State and the private companies.

Whilst such an approach may appear to be risky, the reality is that for large TAFE institutions between 50 to 60 percent of their income is from government and their growth is increasingly in fee-for-service activities. Consequently, existing educational provision and the potential for industrial unrest could be curtailed by maintaining a five-year contract with the Commonwealth and continuing to emphasise growth in tendered Commonwealth places and other fee-for-service activities. A large scale private provider would have the capacity to compete for funding all over Australia in both VET and higher education and in our model, upper secondary education.

The advantage for a government seeking diversity is that it could use its contract with the privatised entity to delineate the type of student profile it wanted to support. In some ways a privatised model can give the customer (the funding agency) greater control. It is for this reason that an earlier comment was made about clearly identifying the criteria for the establishment of a new institution.

A privatised model could create greater diversity simply through governance and contractual arrangements. It would be a strong competitor both in the VET and higher education sectors.

It would be distinguished by student type, governance arrangements, and ability to raise capital outside of government. Its internal structures are unlikely to be linked to the existing ceremonial titles such as Chancellor or Vice Chancellor. It would challenge existing outmoded industrial arrangements requiring its own tertiary award to reflect the breadth and diversity of its staff - necessary to deliver a unique program profile to a diverse student group.

The new institution would need to have a strong industry, educational and vocational focus in its governance arrangements. A mix of public and private ownership would assist the new institution in achieving its aims. It would also need to uphold educational integrity, and to ensure educational independence from its shareholders. Finally, the new institution would need to demonstrate financial capability over a number of years in order to maintain its status, as indeed would all tertiary education providers.

5. Conclusion – Outline of Benefits

The introduction of 'new style' universities with an industry and community focus aimed at increasing access would:

- ▶ Offer programs designed to attract mature age students and students from socio-economic and cultural backgrounds currently deterred from accessing higher education. The new offerings will be characterised by:
 - enhanced and realistic pathways;
 - the introduction of Foundation programs (similar to the UK model) which focus on applied learning, employability skills and a vocational outcome and tertiary preparation units of study;
 - a learning environment specifically focused on mature age students returning to study and those balancing work and study.
- ▶ Require support through Commonwealth Supported Places targeted at mature age students undertaking pathway oriented courses funded on a contestable basis between public and private Higher Education providers.
- ▶ Focus on applied learning pedagogy grounded on evidence based research and scholarship.
- ▶ Assist in overcoming the perception of parity of esteem between vocational education and higher education.
- ▶ Allow for the development of a tertiary education award for staff employment.
- ▶ Be jointly owned and governed by government and private industry - a factor explored in the final pages of this submission.
- ▶ Assist in removing the perception that non university conferred degrees are inferior.
- ▶ Assist in removing students' perceptions about the institutional barriers to achieving a degree such as ease of access, familiarity with institution and pathways from low level qualifications to bachelor programs.
- ▶ Provide a one stop educational hub approach to post compulsory education whereby the Commonwealth would fund all programs. This is an important distinguishing feature of the new model as it:
 - addresses the parity of esteem issue;
 - encourages realistic and achievable pathways for students;
 - values Certificate III outcomes as much as degree programs;
 - simplifies funding and management and reporting requirements and reduces duplication that currently exists.
- ▶ Demonstrate strong industry links and an emphasis on industry skill needs and employability skill outcomes.

6. Appendices

Appendix 1 - Profile of Holmesglen Institute of TAFE

Holmesglen is the largest TAFE Institute in Victoria, and one of Australia's most accomplished providers of vocational education and training. Each year Holmesglen delivers over 600 different courses, running across 11 different study areas. The Institute annually attracts over 50,000 enrolments, including some 4,000 enrolments from international students.

The Institute has varying types of relationships with university providers including providing programs on a franchise basis with Swinburne University, LaTrobe University Charles Sturt University and Ballarat University as an affiliate institution and providing University Transfer Programs in conjunction with Monash and Deakin Universities. The Institute is also in discussion with the University of Tasmania to explore further collaboration.

Holmesglen as a private higher education provider has nine Bachelor Degree courses and two Associate Degree courses accredited. These are in the fields of Business, Building, Nursing, Media, Early Childhood and Justice.

Holmesglen has strong track record and excellent reputation for working closely with industry to achieve educational outcomes. In the development of the above degrees the Institute engaged extensively with industry groups and associations to ensure that the qualifications clearly reflected contemporary contexts and were clearly grounded in reality. All degrees are enriched and enhanced by strong industry partnerships, both formal and informal.

Holmesglen also has significant expertise at providing services to students who would find barriers to accessing traditional universities and undertaking traditional university programs. Currently:

- ▶ 56% of Holmesglen's students are aged over 25 years;
- ▶ 40% of mature aged students have not completed year 12;
- ▶ 68% of mature age students who state their employment status are working full-time or part-time.

Appendix 2 – Age of undergraduate higher education students and vocational education and training students

Table 2: Comparison of student profile by age in undergraduate higher education and VET

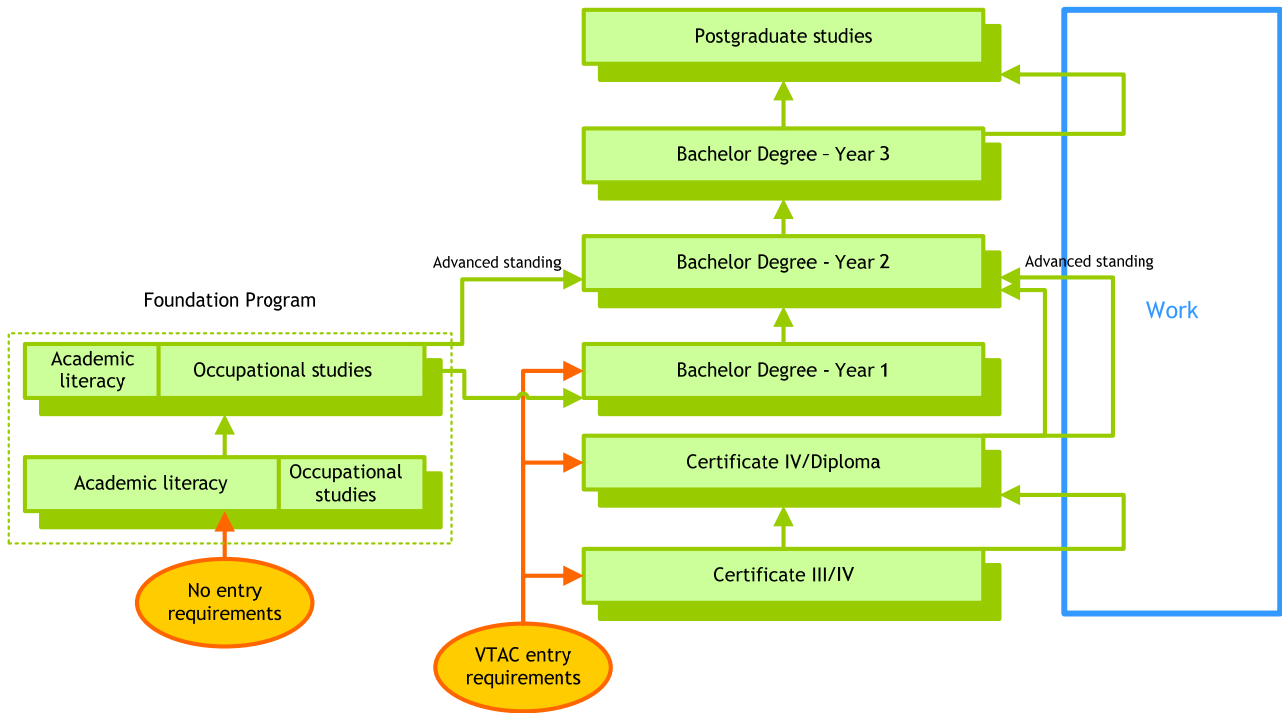
	Undergraduate Students ³		VET Students ⁴	
	Number	Percent of category total	Number	Percent of category total
19 and under	212,998	31%	438,700	26%
20 - 24	306,009	45%	277,100	17%
25 - 29	66,112	10%	162,100	10%
30 - 39	60,214	11%	290,800	17%
40 - 49	28,317	6%	257,200	15%
50 - 59	8,470	2%	150,900	9%
60 +	1,553	0%	56,500	3%
Not known	0	0%	42,500	3%
Total students	683,673	100%	1,676,000	100%

³ Higher education students include those studying at all Higher Education Providers, including domestic and international students. Source: DEST 2007, Students 2006 [full year]: selected higher education statistics.

⁴ VET students include those studying at all publicly funded Registered Training Organisations including domestic and international students. Source: NCVET 2007, Students and Courses 2006.

Appendix 3 – Qualification pathways available in the new institutional model

Figure 4: Qualification pathways in proposed new institution



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