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Equity at and beyond the boundary of Australian universities

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Equity at and beyond the boundary of Australian universities

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EXECUTIVE SUMMARY

This report investigates the social demography, learning outcomes and educational experiences of students enrolled in two distinct modes of higher education delivery in Australia – university programs delivered through third party arrangements, and higher education courses delivered by non-university higher education institutions (NUHEIs). In short, the research examines equity at and beyond the boundary of Australian universities.

University courses delivered through third party arrangements – particularly those that involve sub-contracting and franchising of program delivery – are not provided directly by public universities, and can therefore be considered as residing at the boundary of the public university. Programs delivered by NUHEIs are positioned definitively beyond the boundary of the Australian public university.

Our research examines the equity group participation, retention and success rates – as well as the educational experiences – of students within these two domains of delivery. While maintaining a particular focus on students from low socioeconomic status (SES) backgrounds, we analyse and present data on five of the six nationally recognised equity groups within higher education, including Indigenous students, students with a disability, and students from low SES, regional and non-English speaking backgrounds (NESB).

Student equity in Australian higher education has been a national priority for many years. This priority is reflected in the collection of data, setting of targets, and specific allocations of funding for the six nationally-recognised equity groups (Harvey, Burnheim & Brett, 2016). However, understanding of student equity group participation and performance in Australian higher education is not ideally served by current approaches to the collection and distribution of data. Equity considerations remain largely limited to public universities, with statistics on the participation and performance of students in the six nationally-recognised equity groups routinely reported at the level of the university. However, the number of students enrolled in university courses delivered by third party providers is growing, and current data is not disaggregated to facilitate understanding of equity group participation and performance within university–third party arrangements. Concurrently, the proportion of higher education students enrolled in NUHEIs is also growing. Student equity data for these institutions is not routinely published, thereby limiting understanding of equity performance in this domain.

The absence of publicly available data on student equity group participation and performance at and beyond the boundary of the Australian university represents a significant gap in our understanding of the Australian higher education sector. Understanding equity group participation and performance within university–third party delivery and NUHEIs is critical to supporting student equity across the entire Australian higher education sector. It is important to know whether equity group students are participating, succeeding, and having positive educational experiences in these two domains of higher education delivery. It is also important to know whether universities are providing sufficient transparency to prospective students about third party course delivery, and

whether such courses are of comparable quality – in terms of equity and other measures – to other courses delivered by the university. The extent to which NUHEIs and third party providers are committed to student equity is also of public interest, as is the question of whether there are exemplars of good practice within NUHEIs and third party delivery from which public universities could learn. Finally, we are interested to know whether national higher education policies are addressing student equity in a coherent and comprehensive manner across the sector.

Our report responds to the following central research questions applicable to domestic undergraduate students at and beyond the boundary of the Australian university.

Third party transparency: What information about third party delivery is publicly accessible?
Third party public interest: What equity performance is associated with third party delivery?
Equity beyond the university: What equity performance is associated with NUHEIs?
Learning from good practice: What can we learn from NUHEIs with good equity practice?

Addressing these questions is central to ensuring that student equity policy is consistent across the sector, informed by best practice, and transparent to prospective and enrolled students.

The case for third party transparency – university–third party arrangements are opaque

University engagement of third parties for delivery of undergraduate courses to onshore domestic students appears to be growing. More than half of Australia's public universities (22/38) were found to have policies and/or protocols referring to such arrangements. However, a lack of agreed terminology means that universities employ a wide variety of terms to describe such arrangements.

Eleven universities list "approved educational facilities" other than university campuses in their 2018-2020 Commonwealth funding agreements, but we could not be sure whether these facilities involved third party delivery. In addition, "approved educational facilities" do not include third party arrangements involving online delivery.

A review of the annual financial statements for each university for the period 2012-2016 revealed seven institutions listing line items that may refer to payments made for the delivery of third party teaching services (potentially including both domestic and international arrangements). These line item expenses totalled more than $280 million in 2016, or 10 per cent of continuing operating expenses for those seven institutions. For each institution, these amounts had increased over the five year period in both absolute and relative terms, as a proportion of continuing operating expenses.

Subsequent to this finding, the analysis focussed on the five universities that showed the highest absolute and relative amounts spent on third party teaching services.

There was a lack of consistency in how universities referred to third party teaching arrangements in their policy documents, annual financial statements and on their websites – the sheer range of nomenclature making it very difficult to identify which universities are engaging in third party arrangements, and to what extent.

While the five universities focussed on each had institutional webpages that listed the partner-delivered courses currently on offer to new students, the student handbooks tended to be less clear about whether the university or another provider would be responsible for delivering a particular course in a particular location.

> **Recommendation 1:** That the Department of Education and Training increase the transparency of third party reporting and publication requirements, with particular emphasis on effective representation of sub-contracting and franchising arrangements to students.

A matter of public interest – growth in publicly funded places and observed equity performance warrants improved monitoring of third party arrangements

An analysis of customised data provided by the Department of Education and Training (DET) for the five universities identified as active in third party delivery supports the claim that third party delivery of undergraduate university courses has increased in recent years in that group – more than four-fold between 2013 and 2016.

In 2013, there were 718 domestic undergraduate students enrolled in third party delivered courses for the five universities, representing two per cent of all domestic undergraduate enrolments. By 2016, this figure had grown to 14,663, or 22 per cent of all domestic undergraduate enrolments.

High-level analysis of customised data provided by DET for the five universities found that equity group participation rates were lower within university–third party arrangements than within courses delivered in-house for four of the five equity groups considered. The exception was low SES students, who had a higher overall participation rate within third party delivered courses. High-level analysis also indicated that retention and success rates were lower for third party delivered courses, for each of the equity groups as well as for students overall.

While high-level analysis suggests that equity group participation and performance is typically lower within third party delivered courses, there was substantial variation between the five universities included in the analysis. Of those considered, the two universities with metropolitan headquarters enrolled proportionally more regional, low SES and Indigenous students in their third party delivered courses in 2016, as compared to their non-third party delivered courses. By contrast, universities with regional headquarters typically enrolled proportionally fewer regional, low SES and Indigenous students, as well as fewer students with a disability, but proportionally more students from a non-English speaking background, within their third party delivered courses. The analysis suggests that universities are using third party delivery as a means to expand beyond their traditional catchments, and this is reflected in differences in equity group participation between third party and non-third party delivered courses.

It is likely that equity performance within third party delivery also varies by field of study, or other variables, but our analysis did not consider such variables. This report represents an initial foray into third party delivery but highlights that data are discoverable for more nuanced research.

Given the significant levels of public funding and investment involved, we advocate greater transparency and accountability in university–third party delivery, with respect to arrangements in general as well as how they relate to student equity. Changes to data collection protocols, reporting requirements, Commonwealth funding agreements and student handbooks would facilitate this improved transparency and accountability.

> **Recommendation 2:** That the Department of Education and Training review data collection and reporting to better monitor third party delivery arrangements, with particular emphasis on developing a more nuanced and common language for third party delivery, and equity performance.

Equity beyond the university – equity performance across NUHEIs is varied

From 2013-2016, NUHEIs reported lower participation, retention and success for almost all of the equity groups included in the study, compared to Table A providers ("public universities"). The only significant equity group exception was low SES students (including both undergraduate and postgraduate students), for whom the participation rate in NUHEIs increased over the time period until it was equal to that of public universities. Concurrently, the participation rate for low SES undergraduate students in NUHEIs increased by 1.3 percentage points, exceeding the participation rate for public universities in 2016.

However, aggregate data masks the variation evident in the equity performance of NUHEIs, which tends to be much greater than for public universities. Indeed, NUHEIs include both the highest and the lowest performers in the sector in terms of low SES retention and success.

> **Recommendation 3:** That the Department of Education and Training monitor and regularly report on the equity performance of NUHEIs.

Learning from good practice – high performing NUHEIs are student-centred

Interviews with leaders from six NUHEIs with relatively high performance with regard to low SES participation, retention and success reveal the key factors in this outcome – notably a commitment to student-centred learning combined with learning environments that have smaller cohorts and a strong sense of community. There is scope for the factors driving stronger equity performance to be disseminated more broadly across and beyond the NUHEI sector.

NUHEI leaders also reported a sense of inequity in Commonwealth funding and the design of the higher education loan program. Routine publication of NUHEI equity performance will contribute to the evidence base on which NUEHI policy can be developed and implemented.

> **Recommendation 4:** That the Department of Education and Training promote and capture good equity practice among NUHEIs, and disseminate this practice throughout the broader higher education sector.

SUMMARY OF FINDINGS

STUDENT EQUITY FINDINGS

Equity Participation in Third Party Courses

1. Equity group participation is lower in third party delivered courses than courses delivered in-house across the five universities examined.

2. Equity group participation in third party delivered courses changes as institutions recruit from beyond their traditional catchments:

    a. Regionally headquartered universities enrolled proportionally fewer equity students in third party delivered courses, which tended to be delivered in cities; and,

    b. Metropolitan headquartered universities enrolled proportionally more equity students in third party delivered courses, which tended to be delivered in the regions or online.

Equity Group Success and Retention in Third Party Courses

3. Equity group retention rates are lower in third party delivered courses than courses delivered in-house across the five universities examined.

4. Equity group success rates are lower in third party delivered courses than courses delivered in-house across the five universities examined.

Equity Group Participation Retention and Success in NUHEIs and Public Universities

5. Overall equity group participation, retention and success is lower for NUHEIs than public universities.

6. The low SES participation for NUHEIs is growing and now exceeds that of public universities at undergraduate level.

Participation and Performance Distributions for NUHEIs and Public Universities

7. There is far greater variation in low SES success and retention among NUHEIs than among public universities.

Interviews with Leaders of Six High Performing NUHEIs

8. Leaders from NUHEIs with above average low SES participation and performance expressed a commitment to student-centred learning. Interviewees also considered that their institutions' relatively small student populations (compared to public universities) fostered more intimate relations between staff and students which enabled the flourishing of a sense of belonging and community. Interviewees indicated that the biggest factor impacting on student equity from their perspective is the inconsistent treatment of NUHEIs and public universities within the higher education regulatory landscape. Further research is required to understand the experiences of students in NUHEIs, including qualitative work with the students themselves.

GENERAL FINDINGS

University Policy Libraries

9. Over half of Australia's public universities have a policy pertaining to third party delivery.
10. Universities employ a wide variety of nomenclature to describe third party arrangements.

Commonwealth Funding Agreements

11. The number of universities with "approved educational facilities" listed in their Commonwealth funding agreements has increased since the clause was first introduced in 2014.
12. The increase in "approved educational facilities" reveals an expansion in delivery beyond university campuses, but it does not serve as a direct or proxy measure of third party delivery.

Annual Reports and Financial Statements

13. Seven universities for which third party payments were identified included $280 million of expenditure on third party arrangements in 2016, representing 10 per cent of total continuing operating expenses for that year.

University Websites

14. There is inconsistency in how university publications refer to third party delivery.

Enrolments in Third Party Courses

15. Domestic undergraduate enrolments in third party delivered courses have grown in both absolute and relative terms.

Student Satisfaction in NUHEIs and Public universities

16. The overall NUHEI Student Experience Survey results exceeds those of public universities in five out of six focus areas.
17. There is far greater variation in Student Experience Survey results among NUHEIs than among public universities.

LIST OF ABBREVIATIONS

ACPET	Australian Council for Private Education and Training
CGS	Commonwealth Grant Scheme
COPHE	Council of Private Higher Education
CSP	Commonwealth Supported Place
CSU	Charles Sturt University
DET	Australian Government Department of Education and Training
EFTSL	Equivalent Full-Time Student Load
ELICOS	English Language Intensive Courses for Overseas Students
FEE-HELP	Higher Education Loan Program for full fee-paying students
FUA	Federation University Australia
HESA	Higher Education Support Act
HESP	Higher Education Standards Panel
HECS-HELP	Higher Education Contribution Scheme – Higher Education Loan Program
HEIMS	Higher Education Information Management System
HEPPP	Higher Education Participation and Partnerships Program
NCSEHE	National Centre for Student Equity in Higher Education
NESB	Non-English Speaking Background
NUHEI	Non-University Higher Education Institution
NUHEP	Non-University Higher Education Provider
PIR	Provider Information Request
QILT	Quality Indicators for Learning and Teaching
SCU	Southern Cross University
SES	Socioeconomic Status
SUT	Swinburne University of Technology
TABLE A, B, C	Listed Providers as per Division 16 of the Higher Education Support Act 2003
TEQSA	Tertiary Education Quality and Standards Agency
TAFE	Technical and Further Education
UA	Universities Australia
UC	University of Canberra
UG	Undergraduate
VET	Vocational Education and Training
VET FEE-HELP	Higher Education Loan Program for fee-paying students enrolled in Vocational Education and Training. [1]
VTF	VET FEE–HELP

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[1] Note that the VET FEE-HELP scheme ceased for new students on 31 December 2016, and was replaced by VET Student Loans on 1 January 2017 (Australian Government, 2018).

INTRODUCTION

This report investigates the social demography, learning outcomes and educational experiences of students enrolled in two distinct modes of higher education delivery in Australia – university programs delivered through third party arrangements, and courses delivered by non-university higher education institutions (NUHEIs).

University programs delivered via third party arrangements and higher education courses delivered by NUHEIs represent two distinct modes of delivery brought together by their relationship to the dominant institutional form in Australian higher education – the public university. Public universities dominate the Australian higher education landscape in terms of student enrolments, research output, and public perceptions. However, university courses delivered through third party arrangements – particularly those that involve sub-contracting and franchising of program delivery – are not definitively situated within public universities. Instead, they can be considered to reside at the boundary of the public university. By contrast, programs delivered by NUHEIs are positioned definitively beyond the boundary of the Australian public university. There are around three times as many NUHEIs as public universities in Australia, yet NUHEIs enrol less than ten per cent of all higher education students. NUHEIs also receive very little in the way of public subsidies or government funding.

Our research examines the equity group participation, retention and success rates, as well as the educational experiences, of students within these two domains of delivery. While maintaining a particular focus on students from low socioeconomic status (SES) areas, we analyse and present data on five of the six nationally recognised equity groups within higher education, including Indigenous students, students with a disability, and students from low SES, regional and non-English speaking backgrounds. In short, the research examines equity at and beyond the boundary of Australian universities.

Two distinct notions of equity are invoked when exploring equity performance within this report. Differences amongst higher education providers, including in the level of information provided, carry implications for all students. An equitable higher education sector relies on all students being treated fairly and consistently, knowing who is providing their education, and understanding how that provider is performing across a range of standard sectoral indicators. Beyond these broad issues of equity that concern all prospective and enrolled students, there are more specific issues around the six identified equity groups in higher education. This report is primarily concerned with low SES and other equity group students, who are typically disadvantaged and under-represented in both public universities and NUHEIs. The equity groups form a central tenet of higher education policy and funding with regard to public universities, but remain peripheral to the reporting, governance and funding arrangements of most NUHEIs.

The dominance of the public university in the Australian higher education landscape is a result of design rather than policy accident. It is underpinned by long term bipartisan approaches to policy, financing and regulation. Since the Dawkins reforms of the late 1980s, the public university has been the centrepiece of the Australian higher education system (Macintyre, Brett & Croucher, 2017).

Public universities now have mean enrolments (domestic and international) of over 35,000 students (DET, 2018a).

At this scale, public universities utilise complex structures for delivery and engagement that are not clearly situated within geographic or institutional boundaries. Programs are delivered in partnership with institutions that include schools and hospitals, and a variety of business enterprises. The curriculum of many programs is influenced by professional bodies and accreditation requirements. Programs are delivered on-campus and on-line, or through combinations of both. For regulatory purposes all of these activities are considered to fall within the confines of 'the university', and this forms the unit of analysis for higher education statistics, research and financing.

This study seeks to move beyond the primacy of the public university as a focal point of analysis and statistics in Australian higher education. The complexity of the public university is not adequately represented by routine statistical reporting and publications that aggregate diverse forms of activity within the single entity of the institution. There are reasons to unbundle university delivery to shed light on aspects of the university that are not well understood. In addition, there is more to higher education than the public university, with other categories of provision including private universities, overseas universities and NUHEIs. This study pays specific attention to equity in NUHEIs.

Public university expenditure totalled over $28 billion in 2016 (DET, 2018b). A proportion of expenditure for some universities was directed to other entities for what can be considered core teaching operations. This includes what is known as 'third party arrangements' where universities contract another party to deliver all or part of a higher education course (Tertiary Education Quality and Standards Agency (TEQSA), 2017b).

For the purposes of this research, third party activity is understood as being at the boundary of the public university. While third party activity is quality assured by the university overseeing these arrangements, it is demonstrably undertaken by a third party entity. This study examines public universities (i.e. those providers listed in Table A of the *Higher Education Support Act 2003*) engaging in third party arrangements, but these arrangements are potentially undertaken by institutions across all provider categories. The registered provider (university within this study) is ultimately responsible for ensuring that the Higher Education Standards (Australian Government, 2015) and other requirements are met through these arrangements.

There is nothing intrinsically good or bad about university–third party arrangements. However, there is limited public knowledge about the extent of such arrangements, why they are a preferred mode of delivery, the social demographics of those who participate, and the quality of learning outcomes. These issues are particularly important for accountability within public institutions and in relation to their public funding. They are also important for enabling the consumers of higher education – that is, students – to make informed decisions about what they will study, where, and at which institution.

Equity at the boundary of the university may be better or worse than more traditional arrangements but it is difficult to make informed judgement about this form of higher education delivery because relevant data has not been systematically analysed prior to this project.

Equity at and beyond the boundary of Australian universities

In addition to the complex boundary of the university, a small but growing proportion of the Australian higher education sector is comprised of NUHEIs. Delivery through these institutions can be considered as residing beyond the boundary of the public university. As with public universities, NUHEIs are subject to regulatory oversight by the Tertiary Education Quality and Standards Agency (TEQSA). All higher education provision must demonstrate compliance with the Higher Education Standards, and this is assessed on a course by course basis for most non-university higher education institutions (although a few have achieved self-accrediting status under TEQSA). This contrasts with public universities which all have self-accrediting status and as such are not required to seek approval on a course by course basis from TEQSA. NUHEIs also differ from public universities in that they receive very little in the way of public subsidies, including Commonwealth supported places, with most not receiving a public subsidy at all. Doubtless it is partly for this reason that publicly available data for the non-university segment of the higher education sector is limited, particularly with regard to student equity, and very little research in this area has been conducted as a result.

This study contributes to the evidence base on student equity at and beyond the boundary of the public Australian university through developing and applying a specific methodology for identifying, categorising and assessing equity participation and learning outcome data. It makes innovative use of Australia's higher education data collection that will allow other researchers to replicate and extend this study for further research into non-traditional forms of delivery. The findings provide an independent quantitative and qualitative reference point for equity at and beyond the university boundary.

This report responds to the following central research questions applicable to domestic undergraduate students enrolled in university courses delivered through third party arrangements and in non-university higher education institutions.

Third party transparency: What information about third party delivery is publicly accessible?
Third party public interest: What equity performance is associated with third party delivery?
Equity beyond the university: What is the equity performance of NUHEIs?
Learning from good practice: What can we learn from NUHEIs with good equity practice?

Our report begins with a review of relevant Australian and international evidence on equity within third party and non-university higher education delivery. The review includes a data scoping exercise that considers data held by the Department of Education and Training (DET) within the Higher Education Information Management System (HEIMS) and data collected as part of the Quality Indicators for Learning and Teaching (QILT) Student Experience Survey. Data held by TEQSA and collected through the Provider Information Request (PIR) is also considered, as is institutional data contained within Commonwealth Funding Agreements, Policy Libraries, Handbooks, Annual Reports and Financial Statements, etc. The data scoping exercise is followed by analysis of customised data provided by DET, which produces insights into equity group participation and performance both at the boundary of the university (i.e. within university–third party delivery) and beyond the boundary of the university (i.e. within NUHEIs). Subsequent qualitative analysis of interviews with leaders of six high performing NUHEIs, particularly with regard to low SES students, offer insights into the factors underlying their relative success. In conclusion, we discuss our major findings and the overall picture emerging from the research.

Equity at and beyond the boundary of Australian universities

The research is reported with some significant caveats. The wide variety of nomenclature used by institutions in their policies and reporting of third party delivery increases risks of making invalid comparisons. The data analysis is mainly descriptive, with no controls for a range of potentially significant variables. Nevertheless, the report highlights that data on third party delivery and NUHEIs is discoverable and yields beneficial insights into institutional and sectoral performance but further research is warranted to develop a more nuanced understanding of these important and growing components of the Australian higher education system.

CORE CONCEPTS AND RELEVANT LITERATURE

This research considers two distinct concepts brought together by their relationship to the dominant form of institution operating in Australian higher education – the public university. The first concept relates to university programs delivered wholly or partly through another entity. The second relates to higher education programs delivered wholly by NUHEIs. The distinction between university and NUHEIs is important in financing and regulatory terms.

Universities in Australia are granted self-accrediting status under TEQSA and operate with greater autonomy than NUHEIs, which – in most cases – do not have self-accrediting status. Instead they must seek approval from TEQSA to operate on a course-by-- course basis. In addition, public universities have far more favourable access to public funding than NUHEIs, with near-entitlement access to the Commonwealth Grant Scheme, Commonwealth Supported Places, research funding and other higher education grants offered under the *Higher Education Support Act 2003* (HESA), including equity focused programs like the Higher Education Participation and Partnership Program (HEPPP), the Disability Support Program and Regional Loading. Meanwhile, students attending public universities in Commonwealth Supported Places are able to defer their contribution amounts to HECS–HELP.

By contrast, only a few NUHEIs have partial access to the Commonwealth Grant Scheme through a small number of Commonwealth Supported Places in areas of national priority. NUHEIs receive no access to research funding and cannot access equity program funding. Furthermore, students enrolled in NUHEIs who choose to defer payment of their full-fee courses must do so with loans from FEE–HELP rather than HECS–HELP, with the former attracting an additional 25 per cent loan fee.

Defining the University

Recent literature interrogates the dynamic and changing nature of higher education and what is broadly understood to be 'the university' (Watson, 2014; Collini, 2012). These texts include analysis of emergent forms of delivery and what might be considered special about 'the university' as distinct from other institutional forms (Watson, 2015). While this research does not seek to replicate analysis of the meaning of the university, literature in this area stimulates consideration of how we make sense of the university given its dynamism and complexity.

Barnett (2011) describes an emergent ecological university defined by complex relationships to broader society – one that recognises both the interconnectedness of the world and interconnectedness of the university to the world. This ecological institution has evolved through stages that in Barnett's inimitable shorthand include the: *university-for-the-beyond* (metaphysical university); *the university-in-itself* (the research university); *the university-for-itself* (the entrepreneurial university). It is the later stages of evolution that have explanatory power for the rise of forms of delivery like third party arrangements – representing both entrepreneurial behaviours in an increasingly marketised system and greater interconnectedness in pursuit of the public good.

Equity at and beyond the boundary of Australian universities

Issues of scale, complexity and reach are important considerations when thinking about the university and its boundaries. Australia's largest university has over 70,000 students spread across a number of countries, Australian states, campuses, course levels, disciplines and modes of study. There is no discrete geographical campus boundary within which this university (and others) operate. Core functions of research and teaching are undertaken within the boundary of the university, as well as at the boundary of the university, in partnership with other entities.

University Delivery through Partnerships and Third Parties

Australian universities have been offering higher education in partnership with other entities for decades. Grants for university teaching hospitals were made in the 1960s (e.g. *State Grants (Universities) Act,* 1962) entrenching a model of program delivery involving both universities and hospitals. In recent years, work integrated learning has been broadly embedded within the curriculum of universities. Many university programs involve some form of externally delivered or assessed practicum, including teaching, social work, nursing, and architecture. A more recent development is university courses being delivered by other entities (third parties) under the quality assurance structures of universities.

Work integrated learning and delivery through other entities fall under part 5.4 of The Higher Education Standards, *5.4 Delivery with other parties.* The implications of this Standard are described in TEQSA's Third Party Guidance Note (TEQSA, 2017b). This Guidance Note focuses attention on transnational third party arrangements. It also references a different Guidance Note on work integrated learning. But it is silent with regards to onshore third party arrangements.

Efforts at better understanding third party arrangements in Australian higher education have been made, but these have not led to publicly accessible publications on the topic. At one point, TEQSA announced quality assessments on third party arrangements and English language proficiency. Data collected through the quality assessment was not subject to public disclosure (TEQSA, 2013). Subsequent changes to TEQSA's legislation, focus and operations meant that these quality assessments were not published (TEQSA, 2014).

There is a gap in our knowledge around the extent of third party arrangements and the equity dimensions of this form of delivery. This study seeks to quantify the extent to which higher education programs are delivered through third party arrangements through sub-contracting or franchising arrangements – hereafter, references to third party arrangements adopt this focus.

Where there is evidence of third party activity, the study seeks to understand the social demography of participants and whether students are likely to be members of equity groups. Further, the study seeks to understand whether students from equity groups participating in third party arrangements are likely to have equivalent educational experiences and outcomes to students enrolled in programs delivered in-house.

The underlying data needed to answer these questions is not readily available. While public universities provide information through HEIMS on administrative and reporting arrangements for enrolment-based public funding, this does not include information on third party delivery. Of the $16 billion – 56 per cent of total university revenues – provided to universities by the

Commonwealth in 2016 (DET, 2018b), very little is captured or published about the proportion of revenue linked to third party delivery.

TEQSA plays a critical role in ensuring all higher education providers operate in accordance with the *Higher Education Standards Framework (Threshold Standards) 2015* (Commonwealth of Australia, 2015). TEQSA undertakes cyclical assessments of a provider's registration (up to 7 years) and accesses data annually on provider performance through a Provider Information Request (PIR). As with HEIMS, the PIR does not capture information on third party delivery.

International Perspectives on Third Party Delivery

We conducted a keyword search of international literature on third party delivery using the search terms such as 'third party', 'outsourcing', 'twinning' and 'privatisation'. There is very little published about the outsourcing of teaching (engaging third parties to deliver university courses). A number of articles argue that the outsourcing of non-core activities (printing, recruitment, IT, campus accommodation etc.) save money and thereby allowed the university to focus on core educational operations, namely teaching and research (Ender & Mooney, 1994, p. 57, cited in Gupta et al., 2005, p. 401).

Caroline Wekullo (2017, p.456) examines the phenomenon of outsourcing in higher education and notes that in recent years outsourcing has extended beyond support services, and now includes core activities like teaching. She references research which indicates that outsourcing now includes teaching, remedial classes and even the managing of entire institutions (Adams, Guarino, Robichaux & Edwards, 2004; Conradson, 2014; Quigley & Pereira, 2011; Wood, 2000). Barthélemy (2003, p. 88) examines outsourcing in Europe and North America and argues that it is only safe to outsource non-core activities. His article identifies the risks and failures associated with outsourcing, including institutions overlooking the hidden costs of outsourcing (search and contracting costs, etc.).

Edwards, Crosling & Edwards (2010) examine the quality control issues around offshore outsourcing of degrees. While they focus on transnational education, the issue of quality assurance is also relevant to onshore third party provision. They note there is a risk that relevant policies, curriculum development and institutional values may not be fully understood by the third party provider, with inevitable effects on quality.

Kirp (2002, p.3) looked at outsourced teaching, in the form of recruiting adjunct instructors, or part-timers. He argues that outsourcing the core function of teaching makes sense, financially, however as part-time tutors have little responsibility to students and no attachment to the institution, the true costs of outsourcing are high.

This international literature suggests it is important to know whether university delivery through third party arrangements is of a differential level of quality. From an equity perspective, it is also important to know whether students from underrepresented groups are disproportionately accessing programs of that may be of inferior quality. These issues are of broader concern if enabled by public subsidy, which is the case for domestic undergraduate students enrolled in university programs delivered by third parties.

Non-University Higher Education Delivery

The TEQSA provider register lists 40 'Australian universities (including larger private providers such as Bond University and Torrens University). In addition, there are 130 other providers registered, including 129 NUHEIs and one university of specialisation (The University of Divinity). NUHEIs comprise a small but growing share of students in Australian higher education. However, they are not a homogenous category. While Norton, Cherastidtham & Mackey (2018, p. 11) provide a useful description of the variety evident across NUHEIs, there is no clearly agreed taxonomy by which they can be categorised. Binary distinctions between public and private, university and non-university, or 'for profit' and 'not-for profit' are confronted by anomalies that are not readily accommodated. For example, some NUHEIs are part-owned by public universities (Ryan, 2012).

Notwithstanding the ambiguity around how NUHEIs can be categorised, there has been little research undertaken into this part of the higher education system, and less research conducted into student equity within NUHEIs. On aggregate we know that non-university higher education institutions have a lower level of equity student representation than public universities (Brett, 2018), but there is little in the public arena that provides a level of transparency on equity group participation and performance equivalent to that routinely published for public universities. Recent reports into student success and retention by TEQSA (2017a) and the Higher Education Standards Panel (2017; 2018), and into cohort completions by the DET (2017b) have included NUHEIs within their analysis. Many NUHEIs now participate in the Quality Indicators for Learning and Teaching (QILT) Student Experience Survey, but routine access to NUHEI equity performance data remains limited.

The paucity of equity research on non-university higher education institutions may be a function of the relationship between public funding and student equity policy and data collection. Equity related programs like HEPPP have spurred a significant body of equity related research, though they have been primarily focused on low socioeconomic status students enrolled in public universities. A keyword search of the HEPPP National Priorities Pool Projects Database reveals no results for the terms 'third party', NUHEP and NUHEI, and only one result for 'non-university'.

Non-university higher education institutions have limited access to public subsidies. While their students can defer payment of their course fees with loans from FEE-HELP, this attract a 25 per cent loan fee. The loan fee has proven to be a topic of sustained policy advocacy by NUHEIs and related peak bodies, including the Australian Council of Private Education and Training (ACPET) (2017) and the Council of Private Higher Education (COPHE) (2017).

In 2014, the Australian Government endeavoured to legislate a more neutral, competitive policy environment between NUHEIs and universities. Reservations were expressed about this policy, most notably by Universities Australia (UA, 2014):

> *"While Universities Australia strongly supports the central thrust of the Kemp Norton Review of the Demand Driven Funding System to retain the uncapped university system, [Universities Australia's Chief Executive] Ms Robinson called for a cautious approach to be exercised in considering its recommendation to extend public funding to for-profit NUHEPs."*

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Such reservations about non-university and in particular for-profit provision of higher education have a global dimension, with evidence of poor student outcomes in the American context (Deming et al., 2012). The proposed reforms ultimately failed to be legislated.

Further, it is problematic to form judgements on the equity performance of NUHEIs. Data routinely published for Australian public universities (including equity and performance indicators) is not available for NUHEIs. Given the scale of NUHEIs, which tend to be much smaller scale than public universities –with median enrolments of around 200 students – even customised data requests can be rendered irrelevant by data suppression protocols designed to address privacy concerns. These protocols routinely suppress cell counts of less than 5, proving to be a particular issue when looking at equity group numbers within small institutions. Even when performance data is available it is subject to marked variance.

It is difficult to avoid references to quality concerns when considering NUHEIs. Recent experiences in vocational education and training have highlighted that access to public subsidy with weak regulatory oversight, and poor system and market design can lead to negative policy outcomes and very poor experiences and outcomes for learners. The Australian National Audit Office (Commonwealth of Australia, 2016) found that in the case of VET FEE–HELP (VFH):

> *"The VFH scheme was not effectively designed or administered. Poor design and a lack of monitoring and control led to costs blowing out even though participation forecasts were not achieved and insufficient protection was provided to vulnerable students from some unscrupulous private training organisations."*

NUHEIs are not responsible for the abovementioned vocational education and training rorts. NUHEIs confront a different regulatory and financing regime that mitigates the risk of low quality provision. Very few providers have lost their status as a higher education provider under TEQSA's oversight. One such instance, the de-registration of the Williams Business College has proven to be a rare event (Administrative Appeals Tribunal, 2014). TEQSA has ensured that there remains a high barrier to entry for entities aspiring to be higher education providers, and since January 2018 TEQSA has published information that highlights the number of unsuccessful applications for registration (TEQSA, 2018a). Conversely, there has been a rise in the number of NUHEIs granted self-accrediting status, a sign that TEQSA is sufficiently satisfied with an organisation's governance, systems and leadership to allow it to manage its own affairs.

Explaining Increases in Third Party and Non-University Higher Education Delivery

This exploration of core concepts and literature has not sought to explain why there appears to be a rise in third party and non-university higher education delivery. As so little is known about equity in these forms of delivery, the focus here is to describe recent developments in Australian higher education rather than provide a deeper analysis of why these changes have occurred. Nonetheless, some high level description of trends influencing Australian higher education is warranted.

The most significant policy development over the last decade has been the introduction of demand driven funding and student entitlement to Commonwealth Supported Places (CSPs). This policy flowed from a recommendation of the 2008 Review of Australian Higher Education (Bradley, Noonan, Nugent & Scales, 2008) and represented a significant change in policy, as prior to this CSPs

were allocated to institutions by Government. The policy change was designed to be a more flexible means by which social and economic demand for skilled graduates could be fulfilled.

The introduction of demand driven funding made the Australian higher education landscape more competitive, as public universities could enrol as many eligible students as they deemed appropriate. Universities adopted different strategies in response to the policy shift, but all appear to have pursued expansion. The growth in enrolments between 2007-2016 within universities and NUHEIs are presented in Figure 1.
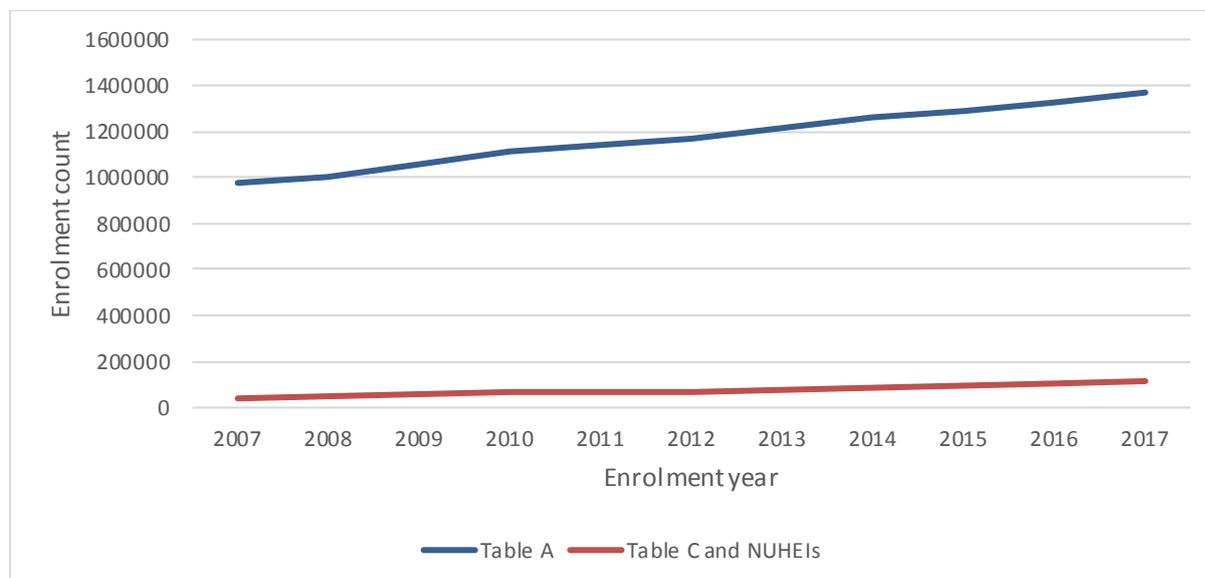
Figure 1: Count of all student enrolments over time for Table A and Table C and Non-University Higher Education Institutions. (Data source: customised analysis of the Department Education and Training's uCube database (DET, 2018a).)

Some universities pursued innovative partnerships to extend beyond their existing catchments. Others have been forced to adopt new forms of delivery in response to a contracting share of enrolments from their traditional catchments. Universities have had to adapt to changes in student preferences, with, for example, migration from regions to major cities rising rapidly (Cardak, Brett, Barry, McAllister, Bowden, Bahtsevanoglou & Vecci, 2017). The confluence of demand driven funding and rapid developments in technology has also seen a considerable expansion of on-line delivery, with some universities engaging with partners to facilitate this. The net effect on student equity has been positive – stubbornly persistent levels of low socioeconomic status participation are now increasing.

Demand driven funding and other Commonwealth policies have also exerted considerable influence over NUHEIs. Some NUHEIs have longer histories than some of the younger public universities and have withstood various policy challenges across the decades. Demand driven funding represented both opportunities and threats to their operations. Students who were unable to find a CSP prior to

the introduction of demand driven funding may have once enrolled with such NUHEIs. After the introduction of demand driven funding, NUHEIs had to compete more assertively with public universities for students. Some NUHEIs have found opportunity in establishing pathways into universities for students who are unable to meet entry requirements. Others have targeted the international student market, and several enrol international students exclusively. The net effect of the response of NUHEIs to the challenges facing them since the introduction of demand driven funding has been one of increasing enrolments and market share (see Table 1). However, the net effect of NUHEIs on student equity is difficult to ascertain, for reasons outlined above.

DOMESTIC ENROLMENTS	2012		2017		CHANGE 2012-2017
	NO.	% OF TOTAL	NO.	% OF TOTAL	
Table A providers	874,700	93.6%	999,987	92.4%	+125,287 (+14.3%)
Table B, Table C and Non-University Higher Education Institutions (NUHEIs)	59,410	6.4%	81,958	7.6%	+22,548 (+38.0%)
TOTAL	**934,100**	**100%**	**1,081,945**	**100%**	**+147,835 (+15.8%)**

Table 1: Total number and proportion of domestic students enrolled in Table A, Table B, Table C and Non-University Higher Education Institutions. (Data sources: DET, 2013; DET, 2018c.)

METHODS AND DATA SOURCES

The research progressed through the following five stages, and this report is structured accordingly:

1. A review of the national and international literature on university–third party arrangements and non-university higher education providers, with a focus on issues of transparency and accountability for student equity participation and performance.

2. A mapping exercise to determine the extent of university–third party delivery in Australia, via a desktop review of university policy libraries, annual reports and financial statements, Commonwealth funding agreements, student handbooks and institutional websites.

3. Analysis of domestic student equity participation, retention and success data for undergraduate courses identified as being delivered via third party arrangements at five Australian universities.

4. Analysis of student equity participation, retention and success data for all NUHEIs with domestic enrolments.

5. Interviews with leaders of five NUHEIs identified in stage four as having higher participation, retention and success rates for students from low socioeconomic backgrounds.

The search for national and international literature on NUHEIs and third party delivery was conducted using Google Scholar and the La Trobe University Library search engine. The data scoping exercise included analysis of data fields and codes described in the DET HEIMS website, which incorporates the data collected for TEQSA through the PIR. TEQSA and DET were both contacted to identify precisely which data collected through HEIMS and PIR would be relevant to third party delivery, and what would be available to the researchers in the course of conducting this project.

Statistical analyses were conducted using Excel and R Studio, with figures and graphs created using those software packages.

In-depth, semi-structured interviews were conducted by telephone and digitally recorded, transcribed and analysed for content and themes. An interpretative phenomenological approach to the analysis was applied (Smith, Flower & Larkin, 2009). Further details about are approach are included in the body of the report – within relevant sections – and the Appendices.

This methodology comes with some significant caveats. The wide variety of nomenclature used by institutions in their policies and reporting of third party delivery increases risks of making invalid comparisons. In addition, the statistical analysis has not controlled for a range of potentially significant variables, such as field of study. The report represents an initial foray for research into equity within third party delivery and NUHEIs, but there are opportunities to progress our understanding further.

MAPPING THE EXTENT OF UNIVERSITY–THIRD PARTY DELIVERY IN AUSTRALIA

This section of the report examines university policy libraries, Commonwealth funding agreements, annual reports and financial statements, as well as institutional websites, to determine which universities are engaging in third party arrangements, with which providers, and for which courses. University expenditure on third party arrangements is also examined, together with the proportion of annual continuing operating expenses that these represent. This process enables us to identify five universities with significant engagement in third party delivery. These five universities provide the focus for the subsequent quantitative analyses provided in the next section of the report.

University Policy Libraries

A desktop review of Australian university online policy libraries was conducted in January 2018 to establish which institutions have published policies, procedures or guidelines relating to third party delivery of academic teaching. Each institution's policy library was searched alphabetically for evidence of such a policy. In cases where there appeared to be no policy relating to third party delivery of academic teaching, other policies relating to curriculum design and quality assurance were interrogated for any reference to third party delivery.

Amongst the 38 publicly funded universities, fourteen were found to have institutional policies, procedures and/or guidelines pertaining to on-shore third party delivery of university-level award courses. These are listed in Table 2, together with the name of the policy, and the earliest date of approval/effect of the policy or its predecessor.

Policy Libraries

Over half of Australia's universities (22 out of 38) have a policy pertaining to third party delivery.

University policies pertaining to third party arrangements appear to be a relatively recent phenomenon. While the University of Newcastle has had a "Partner Organisation (including Off Campus) Delivery of Face-to-Face Teaching for a University Award Policy" since 2005, the majority of Australian university policies pertaining to onshore collaborative delivery arrangements appear to have only been developed in the past four to five years (i.e. since 2014). This suggests that growth in university–third party arrangements is a relatively recent phenomenon.

Universities employ a wide variety of nomenclature to describe third party arrangements.

There appear to be as many ways of describing third party delivery arrangements for teaching of university award-level courses to onshore domestic students as there are institutions with policies pertaining to such. As indicated in Table 2, the variety of nomenclature employed by institutions to describe third party arrangements is diverse, ranging from "educational collaborations" to "teaching partnerships", "collaborative delivery", "partner provider delivery", "course delivery relationships", and more besides. Third party providers are also referred to in a variety of ways, including as "external providers", "partner institutions", "co-providers", "third party providers" and "other entities". This diverse range of terminology possibly reflects a diverse range of practices and is likely a result of little reporting on or regulation of this type of activity.

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UNIVERSITY	THIRD PARTY POLICY?	THIRD PARTY POLICY TITLE	EARLIEST YEAR OF APPROVAL/EFFECT
University of Newcastle	✓	Partner organisation (including off campus) delivery of face-to-face teaching	2005
Federation University Australia	✓	Higher education partner provider delivery policy	2008
University of Sydney	✓	Educational services agreements policy	2011
CQ University	✓	Partnerships policy and procedure	2013
Deakin University	✓	Academic partnerships procedure	2014
Southern Cross University	✓	Educational collaborations moderations procedure	2014
University of Canberra	✓	Course delivery by third party providers policy	2014
University of Queensland	✓	Collaborative academic program arrangements	2015
University of Southern Queensland	✓	Education partnership policy	2015
University of the Sunshine Coast	✓	Third party provider coursework program arrangements – governing policy	2015
Charles Sturt University	✓	University partnerships policy	2016
La Trobe University	✓	Educational partnerships – third party teaching arrangements procedure	2016
University of Wollongong	✓	Collaborative delivery of a UOW course policy	2016
Charles Darwin University	✓	Higher education course delivery relationships with other entities policy	2017

Table 2: Public universities with policies pertaining to third party delivery of courses to onshore students, the title of the policy, and the year the policy – or its predecessor – was first approved. (Data source: Institutional online policy libraries and websites as at January 2018.)

Commonwealth Funding Agreements

University funding agreements covering the periods 2013, 2014-2016, 2017 and 2018-2020 were also examined. The aim here was to identify which institutions had partner institutions listed in their funding agreements, and who the partner institutions were, as part of the process of uncovering which universities are engaging in third party arrangements, and for which courses.

The funding agreements are legal agreements between the Commonwealth of Australia and individual institutions. They stipulate the amount of funding an institution may receive under the Commonwealth Grant Scheme (CGS), and the conditions attached to this funding. One condition relates to where a course of study that enrols Commonwealth supported students may be delivered. In general, courses enrolling Commonwealth supported students to be delivered at a location other than a university campus require the Commonwealth's written approval.

A category known as "approved educational facilities" has been included in the Commonwealth funding agreements since the 2014-2016 agreements. "Approved educational facilities" are places other than university campuses where universities may deliver courses enrolling Commonwealth supported students. Thus, the past three rounds of funding agreements list both university campuses and other "approved educational facilities" where courses enrolling Commonwealth supported students may be delivered.

Nine universities were found to have "approved educational facilities" other than university campuses listed in their 2014-2016 funding agreements (see Table 3). A further two universities joined the ranks of those with "approved educational facilities" in the 2017 funding agreements, while two universities listed additional "approved educational facilities". Both the number of universities with "approved educational facilities" and the number of facilities approved for each institution remained stable between the 2017 and 2018-2020 funding agreements, with the exception of Southern Cross University, which added one additional "approved educational facility" in its 2018-2020 agreement with the Commonwealth. Table 3 shows that nine of the eleven public universities with "approved educational facilities" listed in their funding agreements also have institutional policies or guidelines pertaining to third party delivery of courses to onshore domestic students.

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UNIVERSITY	THIRD PARTY POLICY	NUMBER OF "APPROVED EDUCATIONAL FACILITIES"		
		2014-2016	2017	2018-2020
La Trobe University	✓	19	22	22
Federation University Australia	✓	15	15	15
Charles Sturt University	✓	14	14	14
University of Canberra	✓	4	8	8
University of the Sunshine Coast	✓	0	5	5
Southern Cross University	✓	2	2	3
University of Tasmania	✓	0	1	1
Charles Darwin University	✓	1	1	1
CQ University	✓	1	1	1
Flinders University	X	1	1	1
Western Sydney University	X	1	1	1

Table 3: Institutions with "approved educational facilities" and the number of facilities approved for each institution within the 2014-2016, 2017 and 2018-2020 Commonwealth funding agreements (Data source: DET 2018d.)

Commonwealth Funding Agreements

The number of universities with "approved educational facilities" has increased.

"Approved educational facilities" reveal an expansion in delivery beyond university campuses, but they do not serve as a proxy measure of third party delivery.

Commonwealth funding agreements with higher education providers now include a sub-clause listing "approved educational facilities" other than university campuses. This is a recent development (i.e. since 2013), and both the number of universities listing "approved educational facilities" in their agreements and the total number of facilities approved have increased.

Universities making use of an "approved educational facility" are not necessarily engaging in third party arrangements. The university may simply be making use of the facilities while still taking responsibility for the delivery. This will require further investigation via institutional websites and course guides.

The inclusion of "approved educational facilities" in the Commonwealth funding agreements provides transparency as to how higher education is delivered in Australia, but the focus on physical sites of delivery is problematic. Given the growing prevalence of online and mixed mode delivery, as well as university–third party arrangements, there is a need to provide greater transparency around delivery providers or modes of delivery. As it stands, university–third party arrangements for online delivery remain invisible with the Commonwealth funding agreements. For example, the University of Canberra, La Trobe University and Swinburne University are known to respectively engage Ducere, Didasko and Swinburne Online to deliver online courses to undergraduate domestic students. However, these online delivery partners are not mentioned in the institutional funding agreements.

For clarity, we do not wish to imply that forms of third party delivery that are not listed within "approved educational facilities" are operating outside of instructional compliance requirements under the Higher Education Support Act or Threshold Standards. What this analysis reveals is that the government template utilised for Funding Agreements describes only one form of delivery beyond a university's core campus network – specifically face-to-face delivery – and does not capture all forms of delivery, e.g. on-line.

Annual Financial Statements

The annual financial statements for the 22 Australian universities found to have a policy referring to third party delivery of onshore teaching services were reviewed for the years 2012-2016. The aim was to try and identify expenditure related to university–third party arrangements.

Expenses likely to refer specifically to payments made to third party providers of onshore teaching services were identified in seven of the 22 institutions whose annual financial statements were reviewed. Payments for third party delivery in the remaining 15 universities may be incorporated in other aspects of university financial statements, but could not be discerned from our analysis of the current presentation of financial information.

Table 4 lists the identified classifications and 2016 expense amounts for the seven institutions alongside the total continuing operating expenses for 2016. Table 4 also shows the change in absolute and relative expenditure since 2012.

It is noteworthy that the classificatory titles of identified expenses for the seven institutions varied considerably – from "contract tuition services", to "private providers", "academic partner payments", "teaching partners – payments", and so on – with no two institutions using the same classification. All identified classifications were also listed under the broader classification of "Other expenses", with the exception of Federation University's payments to "Private providers", which was listed alongside "Employee related expenses", "Repairs and maintenance", etc.

Given the variety and lack of clarity in the nomenclature, it is not possible to say definitively that these recorded expenses relate exclusively to engaging third parties in course delivery. Notwithstanding this limitation, based on the expense classifications identified in Table 4, more than $280 million was paid to third party education providers by the seven institutions in 2016, amounting to ten per cent of the total continuing operating expenses for those seven universities. Of note is the fact that Charles Sturt University's and Swinburne University's payments to third parties increased dramatically over the 5 year period from 2012-2016, providing further evidence for the claim that such practices are increasing. Southern Cross University's payments to third parties also increased considerably over the same period. The University of Canberra's payments to academic partners have remained steadily high, at least since 2014. Federation University's payments to private providers have also been consistently high since 2014, as well as in the years prior, when it was still Ballarat University. By contrast, payments to third parties by La Trobe University and Charles Darwin University have remained minimal throughout the entire period (i.e. less than one per cent of operating expenses).

INSTITUTION	EXPENSE CLASSIFICATION	AMOUNT $'000	TOTAL CONTINUING OPERATION EXPENSES $'000	%	CHANGE IN $'000 AND % SINCE 2012
Swinburne University of Technology	Contract teaching services	104,814	588,073	18%	Up from 13,467 and 3%
Federation University Australia [2]	Private providers	44,871	262,089	17%	Up from 38,381 Down from 19%
Charles Sturt University	Contract tuition services	80,917	520,110	16%	Up from 21,943 and 5%
Southern Cross University	External education services [3]	19,297	217,529	9%	Up from 3,869 and 2%
University of Canberra	Academic partner payments	22,121	273,230	8%	Not listed in 2012
La Trobe University	Teaching partners – payments	6,509	697,794	1%	Not listed in 2012
Charles Darwin University	Consultants – teaching	1,482	296,781	0%	Down from 1,706 and 1%
	Total	**280,011**	**2,855,606**	**10%**	

Table 4: Universities with payments incurred in 2016, likely in the procurement of third party delivery. Also included is the total continuing operation expenses for each institution for 2016, third party payments as a percentage of continuing operation expenses, and the change in third party payments since 2012, both in absolute dollar amounts and as a percentage of continuing operating expenses. (Data source: Annual Financial Statements, 2012-2016, various)

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[2] Note that this institution's name changed from Ballarat University to Federation University Australia in 2014.
[3] Note that this classification changed from "Commission to agents" in the 2012-2015 reports to "External education services" in 2016.

It is important to note here that at least some of this expenditure may include the cost of engaging third parties for the delivery of courses to international students. While equity does not feature as a core component of Australian international education policy, the importance of this cohort to the Australian system warrants increased attention on this issue (Ziguras, 2016). International dimensions of third party delivery are beyond the scope of this report, but our analysis of annual financial statements highlights the significance of international transactions to the third party payments we identified.

The University of Canberra, for instance, notes a discrepancy in the reporting of partner payments for the year 2014. In the institution's 2014 financial statements, the expense amount recorded against "Partner payments" is $4.968 million. In the 2015 financial statements, the classification has been changed to "Academic partner payments", and the expense amount recorded against this for 2014 is $20.334 million, with a similar amount recorded for the year 2015. This discrepancy – in the order of $15m – is explained by the fact that, during 2015, the method for recording student revenue payable to University of Canberra College Pty Ltd was reviewed. Previously, the student revenue paid by the University to the College for conducting College pathways programs and English Language Intensive Courses for Overseas Students (ELICOS) had not been recognised by the University and nor had the corresponding expense. This treatment has now changed and the student revenue is recognised within the University and the expense for the amount payable to the College has also been recognised (University of Canberra, 2015, p.22). Similarly, it is possible that a large proportion of the expense amounts listed in Table 4 for other universities is also for coursework provision to international students, in which case it lies outside of the scope of this project. We are primarily interested in domestic students here, given the significant public monies invested in supporting these students.

Annual Reports and Financial Statements

Seven universities for which third party payments were identified listed $280 million of expenditure on third party arrangements in 2016, representing ten per cent of continuing operating expenses for that year.

The quantum and proportion of funds involved warrants further research and analysis. There is however, no consistent practice for classifying and recording university expenditure in the procurement of third party providers for course delivery. For most institutions, it would seem that third party expenditure has been absorbed into a broader classification not specific to third party course delivery. For the seven institutions for which we were able to identify a classification that likely refers to third party delivery, the terminology was different in each case and was not described in ways that made it clear what the expenditure was for.

University Information Provision on Third Party Delivery

Institutional websites were examined in an attempt to ascertain which courses are being delivered by third parties, on behalf of which institutions. Given the absolute and relative amounts spent on third party delivery by the seven institutions listed in Table 4, we focussed on the five institutions with the greatest absolute and relative third party expense amounts listed in their 2016 annual financial statements, namely:

- Swinburne University of Technology (SUT)

- Charles Sturt University (CSU)

- Federation University Australia (FUA)

- Southern Cross University (SCU)

- University of Canberra (UC)

According to Table 4, each of these institutions spent more than $19 million or eight per cent of total operating expenses on third party teaching provision in 2016.

Charles Sturt University, Federation University Australia, Southern Cross University, and the University of Canberra all have webpages where the courses offered through partnership arrangements are clearly listed. On the Federation University webpage titled "Current onshore partners" (FUA, 2018), for example, there are fifteen embedded website menus or accordions, each naming a different partner institution and/or campus. Clicking on an accordion reveals the courses offered in partnership with the named institution, and whether a course is offered to domestic students, international students, or both. The contact details for the partner institution are also listed at the bottom of the accordion. Clicking on all 15 accordions reveals that Federation University currently offers 13 courses through five partner institutions across eight campuses to domestic undergraduate students. A similar amount of information is available on Southern Cross University's "Locations" webpage (SCU, 2018), which includes "The Hotel School Sydney" and "The Hotel School Melbourne" – where Southern Cross University offers a number of hotel management courses in partnership with Mulpha Australia. Clicking on these links from the Southern Cross University webpage takes you directly to The Hotel School website.

Charles Sturt University's webpage titled "CSU partner locations" (CSU, 2018) lists the national and international partners with which the university collaborates, and the courses on offer through each. As at September 2018, the webpage lists five bachelor-level courses delivered through four partner institutions (mostly TAFEs) plus another fifteen courses delivered at CSU Study Centres in Melbourne, Sydney and Brisbane. The University of Canberra's "Other locations" webpage (UC, 2018) reveals that the university delivers face-to-face courses in partnership with TAFE Queensland, TAFE NSW and the Global Business College of Australia in Melbourne, as well as online courses through Ducere Global Business School.

Swinburne University has a link to Swinburne Online on its "Find a course" webpage (SUT, 2018), from where the reader can browse the 22 Bachelor and sub-Bachelor courses on offer. Note that, because Swinburne Online's parent company – Online Education Services – is a joint venture between Swinburne University and SEEK Ltd, and neither Swinburne Online nor Online Education

Services are TEQSA-registered higher education providers, we consider courses offered through Swinburne Online to be third party delivered courses, for the purposes of this research (SUT, 2017). [4]

Table 5 lists the number of partner organisations and the number of courses currently offered in collaboration with each for the five universities included in the study, as at September 2018.

UNIVERSITY	NUMBER OF CURRENT ONSHORE PARTNER PROVIDERS	NUMBER OF UNDERGRADUATE COURSES CURRENTLY OFFERED TO DOMESTIC STUDENTS VIA PARTNER PROVIDERS
Charles Sturt University	7	14
Southern Cross University	2	2
Swinburne University of Technology	1	22
Federation University Australia	5	13
University of Canberra	4	22

Table 5: Number of current onshore partner providers for domestic students and number of undergraduate-level courses on offer via partner providers for each of the five listed universities. (Data source: Institutional websites as at September 2018)

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[4] A provider not registered with TEQSA can only be engaging in higher education delivery via third party arrangements. Since Online Education Services is not registered with TEQSA and cannot be responsible for quality assuring Swinburne Online-delivered courses, Swinburne University of Technology is deemed to be involved in third party delivery, even though it is a shareholder in Online Education Services.

Identifying third party-delivered courses at five Australian universities

A complete list of all courses delivered by Charles Sturt University, Southern Cross University, Swinburne University of Technology, Federation University Australia and the University of Canberra for the four year period from 2013 to 2016 (inclusive) was requested from the Australian Government DET (DET). Courses were split by course location and mode of delivery. Information in the course list provided by DET was cross-referenced with information found on institutional websites and in student handbooks in order to separate the courses that were delivered by third parties from those that were delivered in-house.

As indicated in the previous section, each of the five universities selected for further study has a webpage which clearly lists the courses currently offered in partnership with third party providers. These courses were then matched with courses on the list provided by DET, usually on the basis of course title and location of delivery. For the majority of the remainder of the courses on the list provided by DET, it was generally clear that they were likely delivered by the universities themselves – since the location of delivery was a university campus.

However, for most universities, there were courses on the list provided by DET that did not fall clearly in either group, because their location of delivery was not a university campus, yet neither were they included on the institutional webpage listing partner institutions. For these courses, the online student handbook for the each of the years 2013 to 2016 was referred to in order to try and ascertain whether the course was delivered in-house or by a third party provider. The assumption here was that some courses that were offered in the past via third party delivery and which still had some continuing students in the time period included in the analysis were no longer open to new enrolments and therefore were not listed on the institution's current partner website.

This process of cross-checking with student handbooks over multiple years did not always clarify the matter. For example, at one university, reference was made to a course being delivered by a number of external providers at a range of locations. However, the university's Student Handbook simply lists the various locations where the course is offered, before noting that, "This course may be on offer at a partner institution" with hyperlinks to an "education partnerships" webpage. We followed a second link to a separate "onshore partners" webpage to try and determine which of the course locations listed in the handbook correlate with onshore partners offering the same course, to validate whether the course was third party delivered. In short, the process was convoluted, in no way definitive, and likely to be confusing for current or prospective students.

This problem of identifying courses delivered by third party providers that are no longer open to new students was common across a number of providers and highlights the fluidity of third party provision in an early stage of evolution. For the purposes of data analysis, a decision was made to err on the side of caution. Where documentary evidence of a university course being delivered by a third party was unavailable, it was assumed to have been delivered in-house. Further details of the process employed to decide which courses were delivered by third parties, and which were delivered in-house, for each of the five universities are included in the Appendices of this report.

The modified list separating courses delivered by third parties from courses delivered in-house was returned to DET, along with a request for institutional level data on international and domestic student enrolments, as well as equity group participation, retention and success, for third party and non-third party delivered courses at each of the five universities included in the study. In the analyses presented in the next section, the institutional level data has been aggregated, to compare third party and non-third party equity group participation and performance across all five institutions. The aggregation of the data serves to place emphasis on the substantive issue – equity in university–third party delivery – rather than on any single institution.

University Websites

There is inconsistency in how university publications refer to third party delivery.

All university websites we examined included information on their third party partners, highlighting there is a commitment to transparency across the sector. There is however inconsistency in how university publications refer to third party delivery, and this is likely to impact on informed choice of students in institution and course selection.

We adopted a conservative approach to identifying courses as delivered through third party arrangements, and by doing so we were able to obtain data on student demographics and learning outcomes described in later sections. The methodology adopted can be replicated by other researchers in exploring other aspects of third party delivery.

Recommendation 1: That the Department of Education and Training increase the transparency of third party reporting and publication requirements, with particular emphasis on effective representation of sub-contracting and franchising arrangements to students.

EQUITY PARTICIPATION & PERFORMANCE IN THIRD PARTY INTENSIVE UNIVERSITIES

This section of the report presents analysis of customised data provided by DET for the five universities identified in the previous section as engaging in third party arrangements to a significant extent. We begin by examining the growth in total enrolments in third party delivered courses for the five universities included in the analysis, in the period 2013 to 2016. We next examine the growth specifically in domestic enrolments in both absolute and relative terms. Following this, analysis of customised data enables comparison of equity group participation, retention and success rates for third party versus non-third party delivered courses for the five universities included in the study.
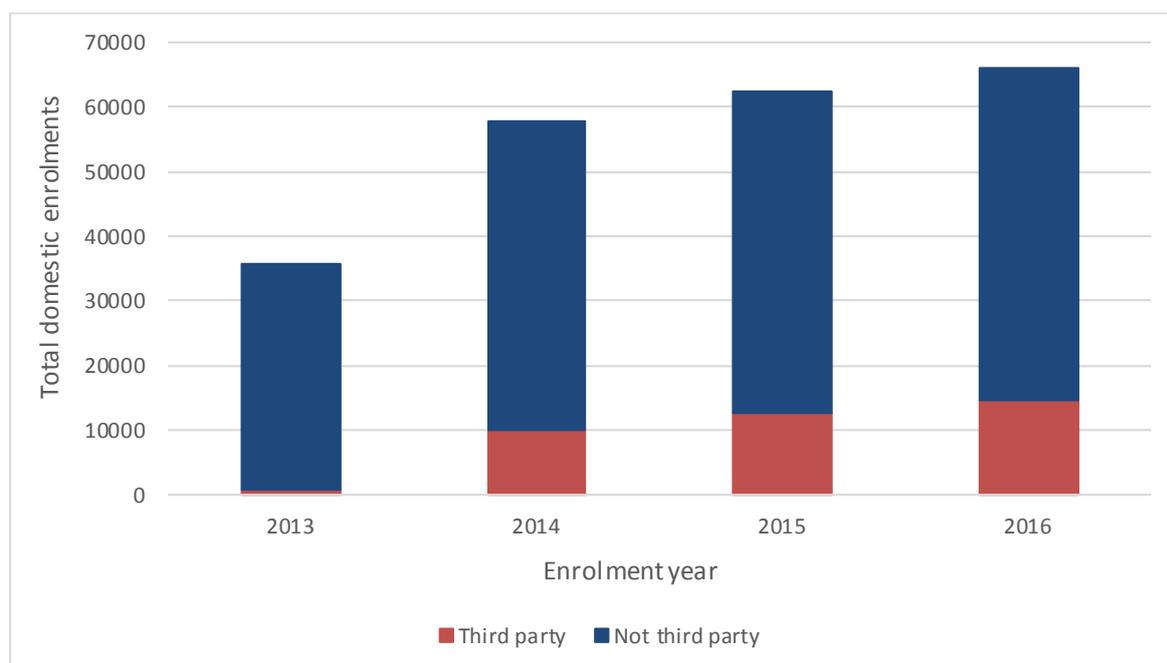
Enrolments in third party and non-third party courses

Figure 2 shows the total number of domestic students enrolled in third party delivered courses, as well as the total number of domestic students enrolled in non-third party delivered courses for the five universities included in the analysis, for each of the years 2013-2016.

Third party domestic enrolments have grown for these five institutions over the four year period, in both absolute and relative terms. In 2013, there were 718 domestic students enrolled in third party delivered courses, representing two per cent of all domestic enrolments for the five universities included in the analysis. By 2016, there were 14,663 domestic students enrolled in third party delivered courses, representing 22 per cent of all domestic enrolments for those five universities.

Two things here are important to note. Firstly, Figure 2 only includes courses with domestic enrolments. There are 82 Bachelor and sub-Bachelor level courses run by these five universities that only enrol international students, some of which are delivered by third parties. But, given the focus on equity group participation and performance, courses enrolling only international students have been excluded from the analysis.

Secondly, enrolments at one university made up a significant proportion of the domestic third party enrolments in Figure 2. Excluding this university from the analysis, it is still the case that enrolments in third party delivered courses have grown over this period, in both absolute and relative terms, from 718 and two per cent of all enrolments in 2013, to 1,674 and 4.3 per cent of all enrolments in 2016.
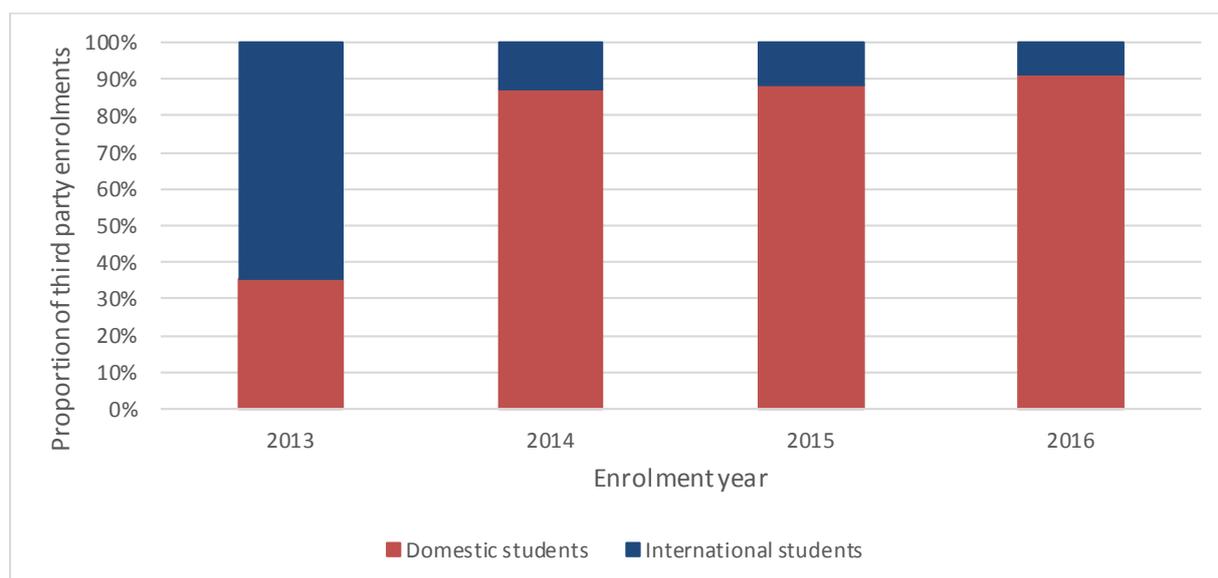
Figure 2: Total student enrolments (domestic and international) for courses provided through third party teaching arrangements and in-house teaching arrangements at five public universities for the years 2013 to 2016. (Data source: customised data provided by DET.)

Domestic and international enrolments in third party and non-third party courses

Figure 3 shows the domestic and international share of enrolments in third party-delivered courses for the five institutions included in the analysis, for the years 2013 to 2016. Domestic students represented around 35 per cent of enrolments for third party delivered courses in 2013. Domestic student enrolments in third party delivered courses grew in both absolute and relative terms over the four year period, making up around 91 per cent of all third party enrolments in 2016.

Once again, it is important to note that Figure 3 only includes courses with some proportion of domestic enrolments. The 82 courses run by these five universities that only enrol international students, some of which are delivered by third parties, have been excluded from the analysis. Also, one university's enrolments make up a significant proportion of the domestic third party enrolments in Figure 3. Excluding this university from the analysis, it is still the case that domestic enrolments in third party delivered courses has grown over the four year period, in both absolute and relative terms, from 35 per cent of all third party enrolments in 2013, to 58 per cent in 2016.

Figure 3: Proportion of domestic and international student enrolments in courses provided through third party teaching arrangements at five public universities for the years 2013-2016. (Data source: customised data provided by DET.)

Enrolments in Third Party Courses

Domestic enrolments in third party delivered courses have grown in both absolute and relative terms.

The absolute number of enrolments in third party delivered courses and the proportion of students enrolled in third party delivered courses grew for the five universities included in the analysis over the four year period from 2013 to 2016. This is especially true of one university, but it is nonetheless collectively true for the other four institutions.

In 2013, there were 718 domestic students enrolled in third party delivered courses, representing two per cent of all domestic enrolments for the five universities included in the analysis. By 2016, there were 14,663 domestic students enrolled in third party delivered courses, representing 22 per cent of all domestic enrolments for those five universities.

Our analysis sought to ensure that we were not conflating domestic and international student enrolments and were able to demonstrate that there was an increasing share of domestic students in third party delivered courses at the five universities. This was especially true of one university, but nonetheless also true of the other institutions.

Equity group participation in third party courses

Table 6 shows the 2016 equity group participation numbers and rates for domestic students in third party and non-third party delivered courses at the five universities included in the analysis. As can be seen, the equity group participation rates are generally lower for third party delivered courses. Students enrolled in third party delivered courses are on average less likely to be a member of one of the four listed equity groups than those enrolled in courses delivered in-house (38.9 per cent v. 49.4 per cent). However, low SES students are better represented within third party delivered courses than they are within courses delivered in-house (21.4 per cent v. 18.1 per cent).

The same trend was apparent within the equity group participation data for 2013, 2014 and 2015. The participation rate for all equity groups was lower for third party delivered courses as compared to courses delivered in-house, with the exception of low SES students, for whom the participation rate was consistently higher within third party delivered courses.

Relative risk tests for each group's participation rates for the years 2013-2016 revealed these differences in participation rates between third party and non-third party delivered courses to be statistically significant at the 95 per cent confidence level across all years, for all groups, including low SES students, regional/remote students, NESB students, Indigenous students, students with a disability, and students from any equity group.

EQUITY GROUP	THIRD PARTY		NOT THIRD PARTY	
	NUMBER	RATE	NUMBER	RATE
Low SES	3127	21.4%	9201	18.1%
Regional	3039	20.8%	18645	36.6%
Disability	487	3.3%	3464	6.8%
Indigenous	237	1.6%	1129	2.2%
NESB	217	1.5%	1128	2.2%
Equity Group Member	5687	38.9%	25187	49.4%

Table 6: Number of domestic enrolments and participation rate for equity group students enrolled in third party and non-third party delivered courses in 2016, for the five universities included in the analysis. Note that the category "Equity group member" refers to students who are a member of at least one of the other four equity group categories listed, i.e. low SES, regional, Indigenous and NESB students as well as those with a disability. (Data source: customised data provided by DET.)

Third Party and Non-Third Party Equity Group Participation in Metropolitan Headquartered and Regionally Headquartered Universities

The story of equity group participation rates in third party and non-third party delivered courses becomes more complicated, however, when we divide institutions between those that have regional headquarters and those that are predominantly metropolitan based. Figure 4 shows the equity group participation rates for the two institutions included in the analysis that have metropolitan headquarters. The participation rates for NESB students and students with a disability are lower in third party delivered courses than in courses delivered in-house by the universities. However, the participation rates for Indigenous students and those from low SES and regional backgrounds are

higher in third party delivered courses, as is the overall rate for students who are a member of any equity group.

By contrast, Figure 5 shows the equity group participation rates for the three universities with regional headquarters. The participation rates are lower for most equity groups within third party delivered courses, as compared to those delivered in-house by the universities, including Indigenous students, students with a disability, those from regional and low SES backgrounds, as well as students who are members of any equity group. Meanwhile, the participation rate for NESB students is higher within third party delivered courses than non-third party delivered courses for the three regionally-headquartered universities.

Equity Group Participation in Third Party Courses

Equity group participation is lower in third party courses across the five universities examined.
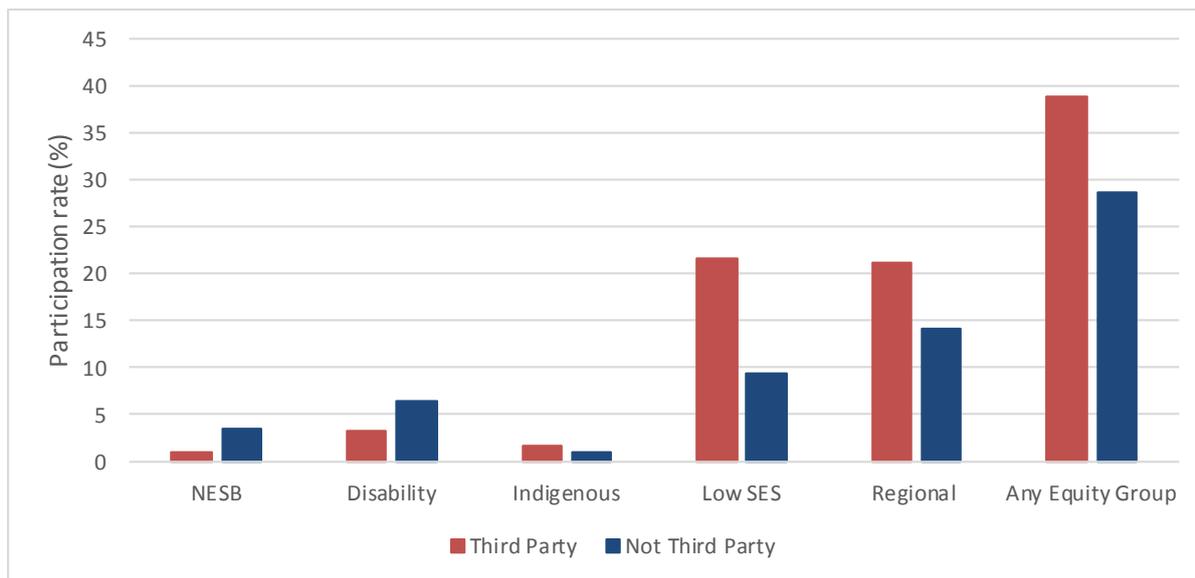
Overall equity group participation rates for 2013-2016 were lower for students enrolled in third party delivered courses as compared to non-third party delivered courses at the five universities included in the analysis. The participation rate for specific equity groups, including students from a non-English speaking background, students with a disability, Indigenous students and students from regional areas were also lower within third party delivered courses. Meanwhile, low SES students were found to have higher participation rates within third party delivered courses as compared to courses delivered in-house by the five universities in 2013-2016.

Equity group participation in third party changes as institutions recruit from beyond their catchment:

      1) Regionally headquartered universities enrol proportionally less equity students in third party delivered courses, which tends to be delivered in cities; and,

      2) Metropolitan headquartered universities enrol proportionally less equity students in third party delivered courses, which tends to be delivered in the regions or online.

Metropolitan-headquartered universities may be improving their equity group participation rates through third party delivery, and in particular the participation rates of low SES and regional students. Meanwhile, the equity group participation rates for third party delivered courses at regionally-based universities tends to be lower for all groups aside from students from non-English speaking backgrounds, for whom the participation rate is higher in third party compared to non-third party delivered courses. This suggests that universities are engaging third party providers primarily as a means of expanding beyond their catchment. The impact of this on student equity group participation depends on whether an institution is primarily metropolitan or regionally based, and which particular equity group we are examining.
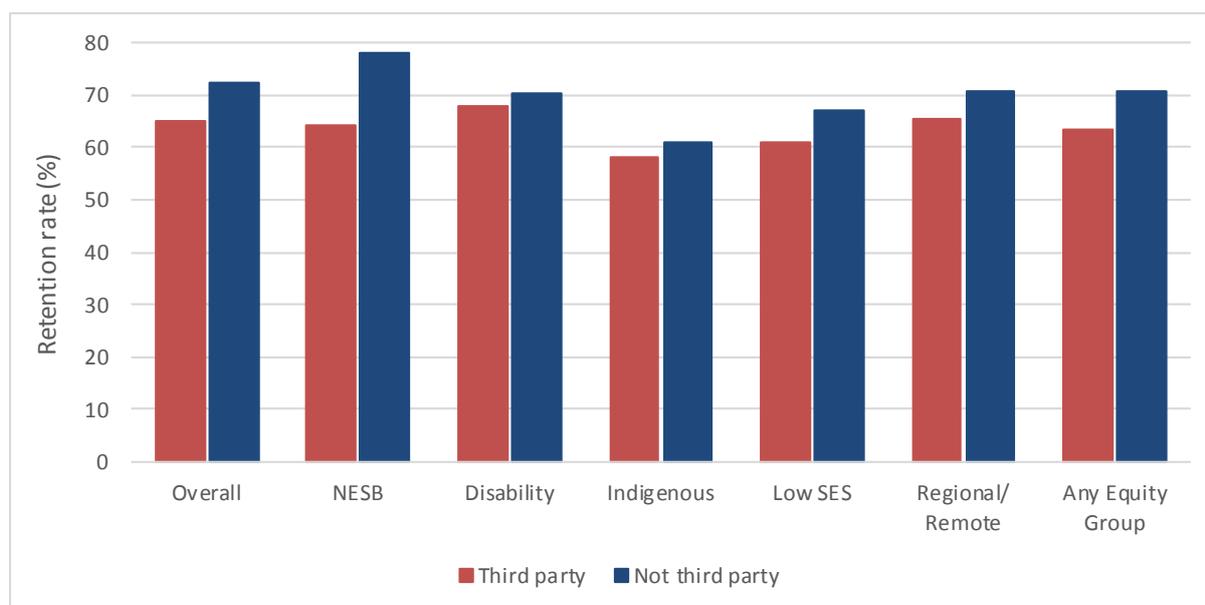

Figure 4: 2016 Equity group participation rates for courses provided through third party teaching arrangements compared to in-house teaching arrangements at two universities with metropolitan headquarters. (Data source: customised data provided by DET.)
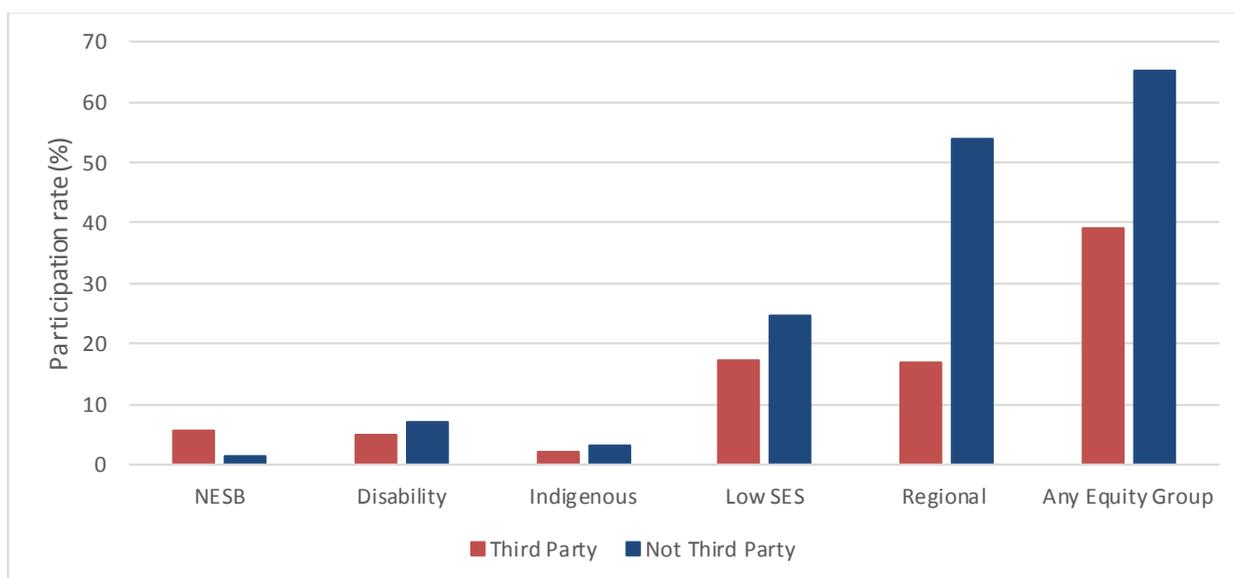
Figure 5: 2016 Equity group participation rates for courses provided through third party teaching arrangements compared to in-house teaching arrangements at three universities with regional headquarters. (Data source: customised data provided by DET.)

Equity group retention and success rates in third party and non-third party courses

Figure 6 shows the 2015 equity group retention rates for third party and non-third party delivered courses at the five universities included in the analysis, along with the overall equity group retention rate, and the overall student retention rate. As can be seen, students enrolled in third party delivered courses had consistently lower retention rates, regardless of whether they were an equity group member or not, compared to students enrolled in courses delivered in-house by the universities. Indigenous students had the lowest retention rate for both third party and non-third party delivered courses (58.1 per cent v. 61.0 per cent), followed by students from low SES areas (60.8 per cent v. 67.2 per cent), regional and remote students (65.3 per cent v. 70.7 per cent), students from a non-English speaking background (NESB; 64.3 per cent v 78.1 per cent) and students with a disability (67.7 per cent v. 70.3 per cent). The equity group that showed the biggest difference in retention rates between third party and non-third party delivered courses were students from a non-English speaking background, whose retention rate was almost 14 percentage points lower for third party delivered courses.

Figure 6: 2015 Equity group retention rates for courses provided through third party teaching arrangements compared to in-house teaching arrangements. (Data source: customised data provided by DET.)

The retention rates for 2013 and 2014 for the five universities included in the analysis were consistent with this pattern. Retention rates for equity group students and indeed all students

enrolled in third party courses were consistently lower than for students enrolled in courses delivered by the universities.

We conducted relative risk tests for each group's retention rates for the years 2013-2015. Differences in retention rates between third party and non-third party delivered courses were found to be statistically significant at the 95 per cent confidence level for low SES students, regional/remote students, NESB students, students from any equity group, and students overall. Differences in retention rates were not found to be significant for students with a disability and Indigenous students.

Figure 7 shows the 2016 equity group success rates for third party and non-third party delivered courses at the five universities included in the analysis, along with the overall equity group success rate, and the overall student success rate. Without exception, students enrolled in third party delivered courses had lower success rates than those enrolled in courses delivered by the universities. Of the equity groups, Indigenous students had the lowest success rates (58.3 per cent for third party v. 64.5 per cent not third party), followed by students from low SES areas (67.0 per cent third party v. 74.7 per cent not third party), students with a disability (71.2 per cent third party v. 73.5 per cent not third party), NESB students (73.5 per cent third party v. 78.3 per cent not third party) and regional and remote area students (74.5 per cent third party v. 78.8 per cent not third party). Students who were members of any equity group had lower success rates than students overall for both third party delivered courses (70.9 per cent for equity group students v. 72.3 per cent overall) and courses delivered by universities (77.5 per cent for equity group students v. 78.6 per cent overall).

Equity group success rates for the years 2013, 2014 and 2015 were consistent with this pattern for low SES students and students with a disability, as well as students from any equity group and students overall. However, there was the occasional year where the success rate for Indigenous, NESB and/or regional and remote students enrolled in third party courses was slightly higher than for their counterparts enrolled in courses delivered in-house by the universities.

Relative risk tests for the years 2013-2016 revealed the differences in success rates between third party and non-third party delivered courses to be statistically significant at the 95 per cent confidence level for low SES students, regional/remote students, students from any equity group, and students overall. Differences in success rates were not found to be significant for students from non-English speaking backgrounds, students with a disability, and Indigenous students.
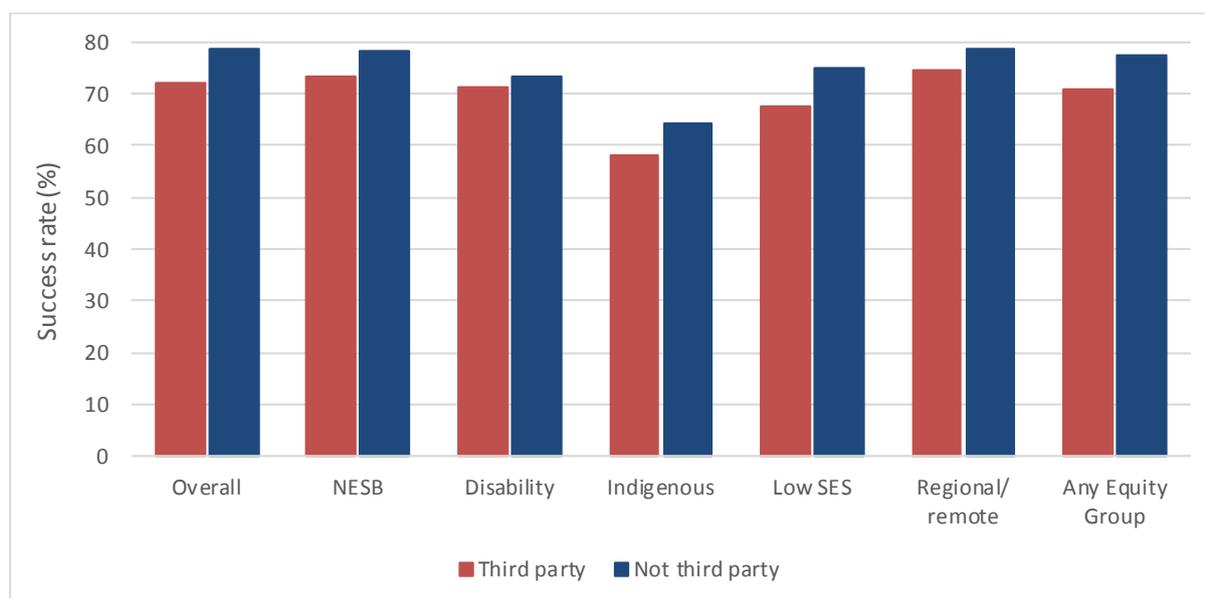
Figure 7: 2016 Equity group success rates for courses provided through third party teaching arrangements compared to in-house teaching arrangements. (Data source: customised data provided by DET.)

Equity Group Retention and Success in Third Party Courses

Equity group retention rates are lower in third party courses for all equity groups.

Retention rates (2013-2015) are lower for all equity groups and indeed all students enrolled in third party delivered courses at the five universities included in the analysis. Understanding the source of these differences is an important direction for future research. Possible explanations include differences in admissions, teaching quality and student support in third party arrangements.

Equity group success rates are lower in third party courses for all equity groups.

Success rates (2013-2016) are lower for equity group students and indeed all students enrolled in third party delivered courses as compared to their counterparts enrolled in courses delivered in-house by the five universities. This is an important finding for all stakeholders. Further analysis is required to improve our understanding of the sources of these differences.


Recommendation 2: That the Department of Education and Training review data collection and reporting to better monitor third party delivery arrangements, with particular emphasis on developing a more nuanced and common language for third party delivery, and equity performance.

EQUITY PERFORMANCE IN NON-UNIVERSITY HIGHER EDUCATION INSTITUTIONS (NUHEIs)

This section of the report presents findings from customised data analysis of student equity group participation, retention and success within non-university higher education institutions (NUHEIs), for the years 2013 to 2016. Findings based on data analysis of the Quality Indicators for Learning and Teaching (QILT) Student Experience Survey are also presented.

Equity group participation rates for NUHEIs and public universities

Figure 8 shows the 2016 student equity group participation rates for all domestic students enrolled within public universities (i.e. Table A providers) compared to NUHEIs. Overall, NUHEIs demonstrate lower participation rates than public universities for most equity groups, including students from a non-English speaking background, students with a disability, Indigenous students and those from regional and remote areas. This pattern was consistent for the years 2013-2016, with the exception of students with a disability, for whom NUHEIs had a higher participation rate in 2014 (5.94 per cent v. 5.46 per cent for public universities). Relative risk tests revealed that the differences in participation rates for each of these groups for each of the years 2013-2016 were statistically significant at the 95 per cent confidence level.
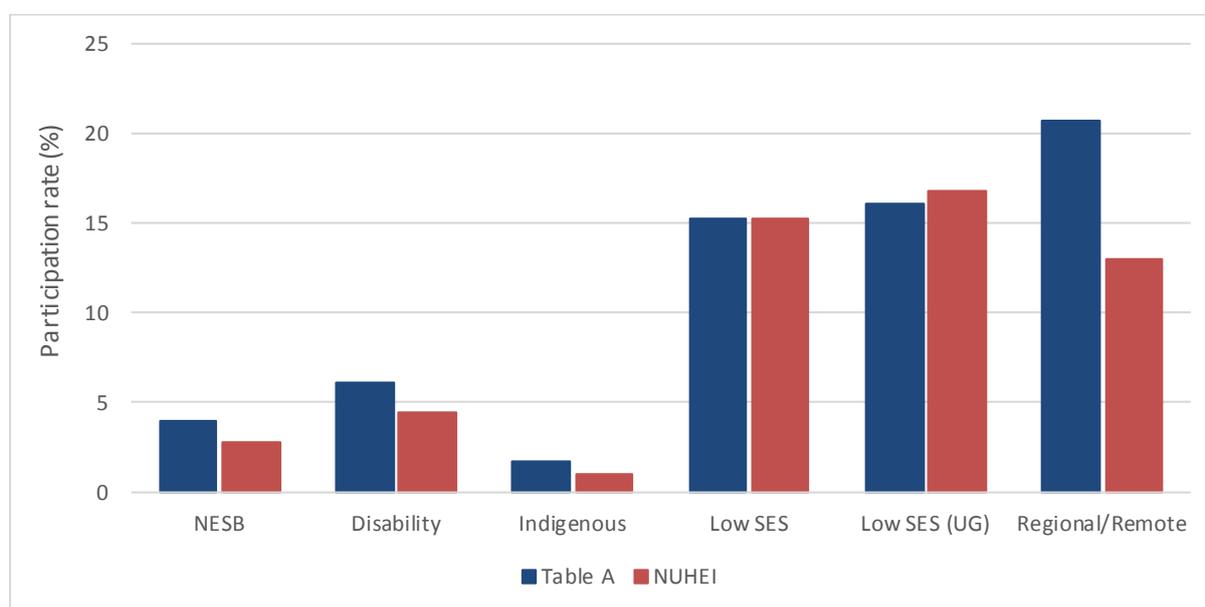
Figure 8: Equity group participation rates for Table A providers and NUHEIs, 2016. (Data source: customised data provided by DET.)

Overall low SES student participation rates also tended to be lower for NUHEIs than for public universities, and these differences were found to be statistically significant at the 95 per cent confidence level for the years 2013-2015. However, there was a consistent increase in the low SES participation rate for NUHEIs over this period, at a faster rate than the increase for public universities, so that by 2016 the two rates were on a par at 15.22 per cent (see Figure 8).

The low SES participation rate for undergraduate NUHEI students also increased at a faster rate than the low SES undergraduate participation rate for public universities over the years 2013-2016. While NUHEIs started off with a lower undergraduate low SES participation rate than public universities in 2013 (15.51 per cent v. 15.91 per cent), by 2016, the NUHEI low SES undergraduate participation rate was higher than that of public universities (16.82 per cent v. 16.10 per cent). Both differences were found to be statistically significant at the 95 per cent confidence level via the relative risk test.

As noted in the Introduction and other sections of this report, NUHEIs do not generally have access to the public subsidies that public universities do, and this is likely to have an impact on the equity group participation rates of NUHEIs compared to public universities. In addition to a place in a full-fee paying course at a NUHEI most likely costing the student more than a subsided place in an equivalent course at a public university, students enrolled in NUHEIs who choose to defer their fees must do so via a loan through FEE–HELP, which attracts a 25 per cent loan fee. By contrast, students enrolled in a Commonwealth supported place at a public university who choose to defer their "contributions" (not fees) may do so via HECS–HELP, which does not attract a loan fee.

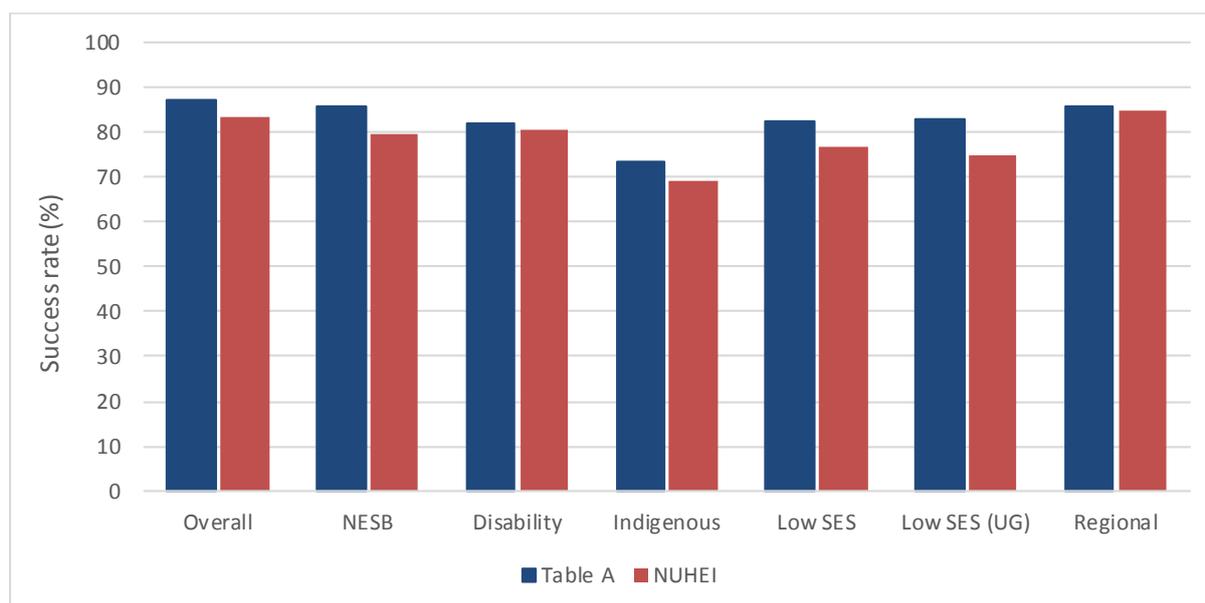## Equity group retention rates for NUHEIs and public universities

Figure 9 shows the 2015 overall and equity group retention rates for public universities and NUHEIs. It is clear from the graph that the retention rate for each group is much lower for NUHEIs than public universities. The biggest difference in retention rates is for NESB students (22.5 per cent), followed by Indigenous students (18.0 per cent), low SES undergraduate students (17.2 per cent), low SES students (17.0 per cent), regional students (14.9 per cent) and students with a disability (14.6 per cent). The difference in the overall retention rate was also high (18.2 per cent). The overall and equity group retention rates for NUHEIs in 2013 and 2014 were also consistently lower than for public universities.
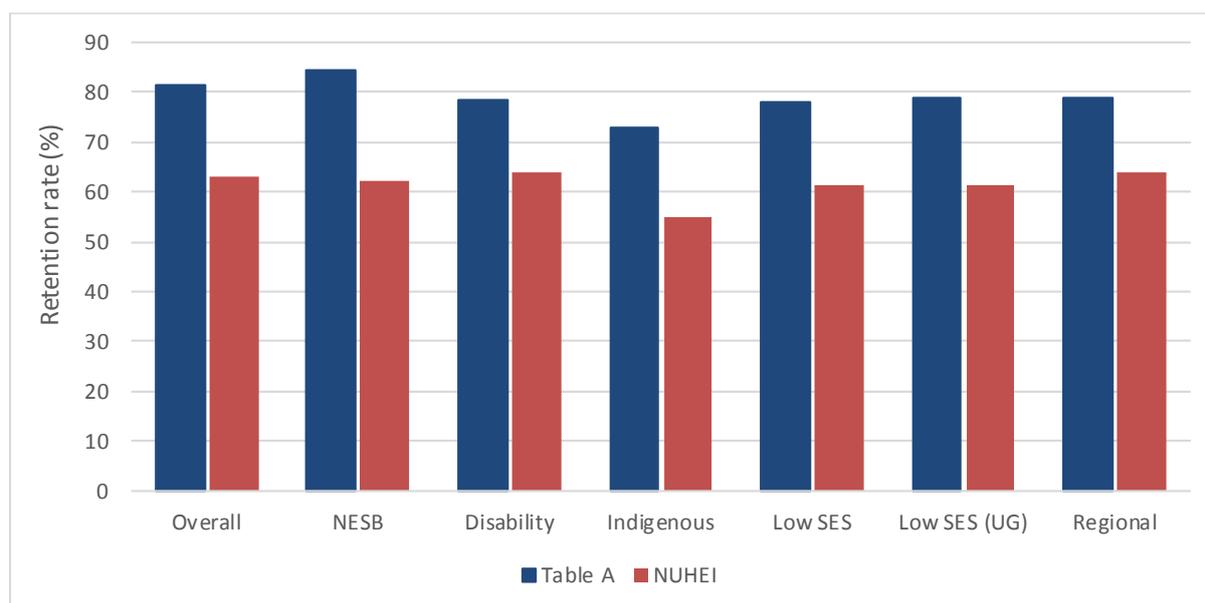
Figure 9: Overall and equity group retention rates for Table A providers and NUHEIs, 2015. (Data source: customised data provided by DET.)

Equity group success rates for NUHEIs and public universities

Figure 10 shows the 2016 overall and equity group success rates for NUHEIs and public universities. For each group, the success rate for NUHEIs is lower than for public universities. The biggest difference in success rates was for low SES undergraduate students (8.29 per cent), followed by NESB students (6.45 per cent), low SES students (5.62 per cent), Indigenous students (4.37 per cent), students with a disability (1.31 per cent), and regional students (1.29 per cent). The overall success rate for NUHEIs was also lower than for public universities, with a difference of 3.82 percentage points. The overall and equity group success rates for NUHEIs in the years 2013-2015 were also consistently lower than for public universities, with one exception – students with a disability achieved a slightly higher overall success rate in NUHEIs in 2014 than in public universities (82.98 per cent v. 81.56 per cent).

Figure 10: Overall and equity student success rates for Table A providers and NUHEIs, 2016. (Data source: customised data provided by DET.)

Equity Group Participation Retention and Success in NUHEIs and Public Universities

Overall equity group participation, retention and success is typically lower for NUHEIs than public universities.

The low SES participation rate for NUHEIs is increasing and now exceeds that of public universities at undergraduate level.

From 2013-2016, NUHEIs reported lower participation, retention and success rates than public universities for most equity groups. The only significant exception here is low SES students, for whom the participation rate within NUHEIs grew at a faster rate than for public universities, so that NUHEIs had a low SES participation rate equal to that of public universities in 2016 (when considering all domestic students), and slightly higher than public universities if only undergraduate students are taken into account. Meanwhile, low SES students and low SES undergraduate students exhibited some of the biggest difference in retention and success rates between NUHEIs and public universities over the same time period. Further research is required to determine the underlying drivers of these differences.

QILT Student Experience Survey results for NUHEIs and public universities

Figure 11 presents the 2016 results of the QILT Student Experience Survey for NUHEIs and public universities.[5] As can be seen, NUHEIs achieved a higher average score than public universities across all focus areas, with the exception of Learning Resources, for which the average NUHEI score was 11.7 percentage points lower than for the public universities. Learning Resources was the focus area that demonstrated the biggest difference between the average score for NUHEIs and public universities, followed by Student Support (5.3 per cent), Learner Engagement (5.1 per cent), Teaching Quality (3.9 per cent), Skills Development (2.5 per cent), and Overall Quality of Educational Experience (0.8 per cent), for which NUHEIs scored consistently higher. This pattern was consistent with the 2015 Student Experience Survey data for NUHEIs and public universities, although public universities also scored higher than NUHEIs on the Overall Quality of Educational Experience measure in 2015 (80.8 per cent v. 79.7 per cent).
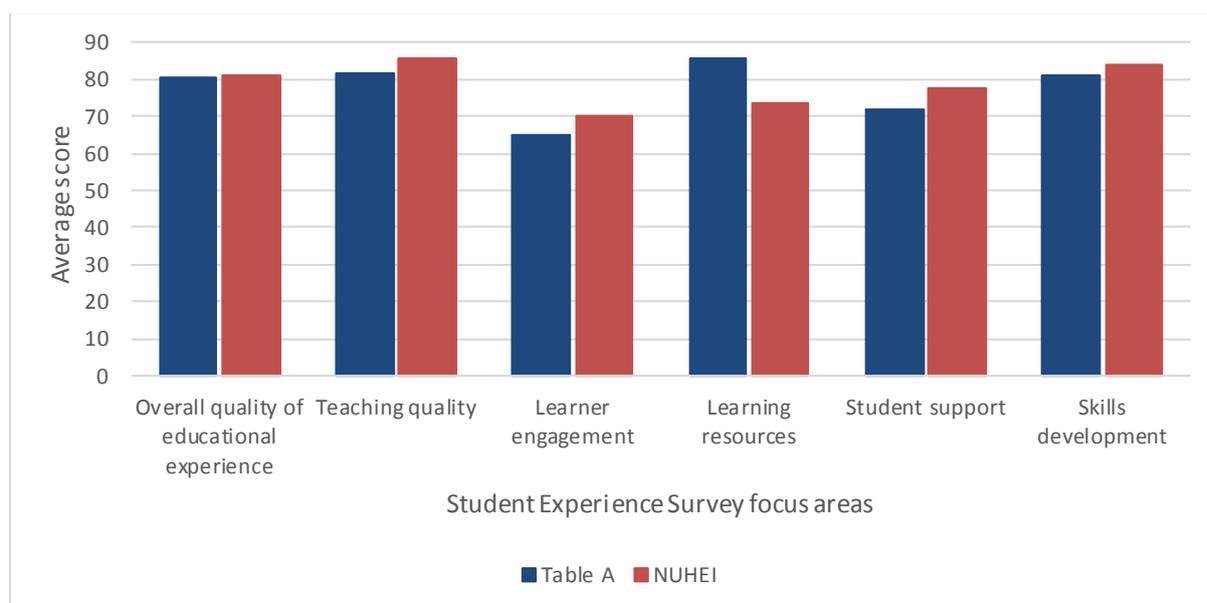
Figure 11: QILT Student Experience Survey average 'Focus areas' scores for public universities and NUHEIs, 2016. (Data source: customised data provided by DET.)

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[5] Note that only around half of all NUHEIs participated in the Student Experience Survey in 2016, and it is unclear how many students that constitutes.

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Student Satisfaction in NUHEIs and Public Universities

NUHEIs exceed public universities in Student Experience Survey results.

In 2015 and 2016, NUHEIs achieved a higher average score than public universities across most of the focus areas of the Student Experience Survey, with the exception of Learning Resources, for which the NUHEI score was substantially lower than the score for public universities in both years. The NUHEI score for Overall Quality of Educational Experience was also slightly lower than for public universities in 2015, but not in 2016. Further research is required to determine whether differences in Learning Resources may be a key driver of the differences in overall and equity group retention and success rates between NUHEIs and public universities.

### Participation and performance distributions for NUHEIs and public universities

The above analysis of overall equity group participation, retention and success rates conceals the considerable variation within each institutional group. While there is some variation in the equity group performance of public universities, the variation is considerably more within NUHEIs. The following analysis compares the distribution of low SES participation, retention and success rates for NUHEIs and public universities.

Figure 12 compares the low SES participation rates for NUHEIs and public universities from 2013-2016 using boxplots overlaid with dotplots. The boxplots display the usual features, including the median of the distribution (the thin black line inside the coloured box), the second and third interquartile ranges (divided by the median and represented by the coloured box), and the first and fourth interquartile ranges (represented by the thin black lines or whiskers extending vertically above and below the coloured boxes). The black dots represent the low SES participation rates for individual institutions. Dots located above or below the whiskers of the plot are outliers.
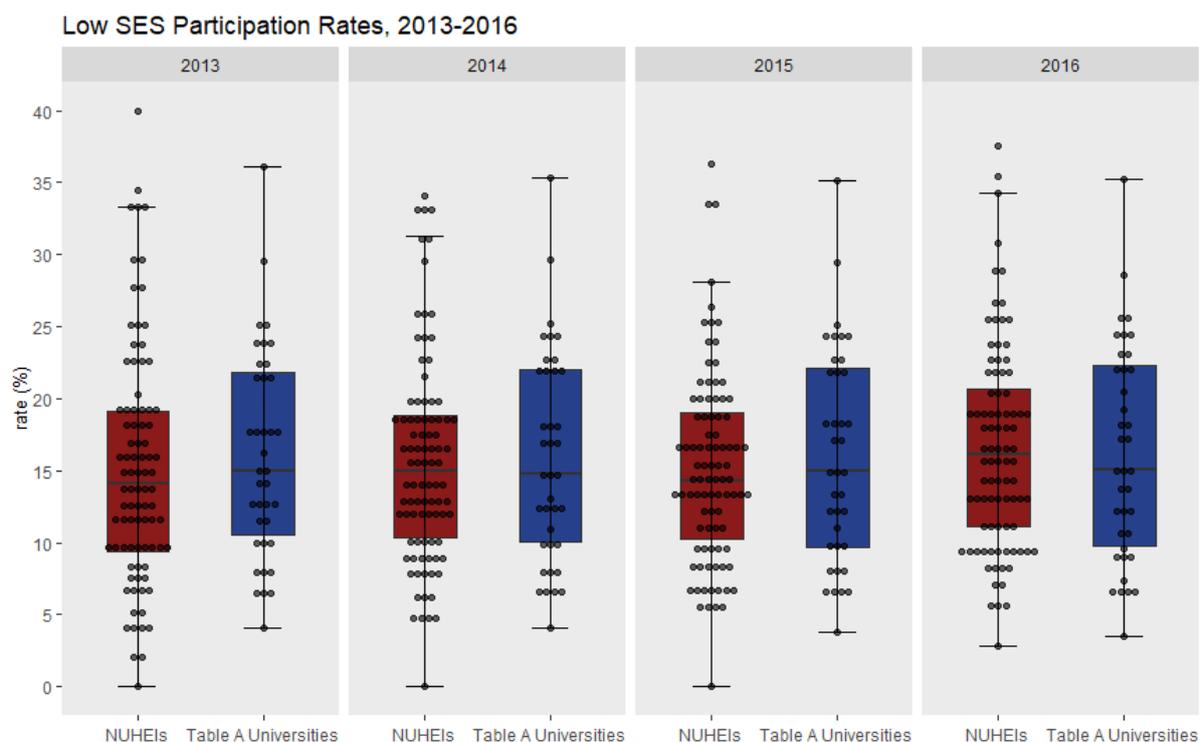
Figure 12: Low SES participation rates for NUHEIs and public universities, 2013-2016. (Data source: customised data provided by DET.)

Figure 12 shows that the distributions of low SES participation rates for NUHEIs and public universities are fairly similar in terms of their median, range and variance over the four-year period included in the analysis. This is not the case for low SES retention and success, however. Figure 13 and Figure 14 reveal that the median low SES retention and success rates for NUHEIs were considerably lower than for public universities over the time-period included in the analysis, while the range and variance in low SES retention and success rates for NUHEIs is much greater than for public universities.
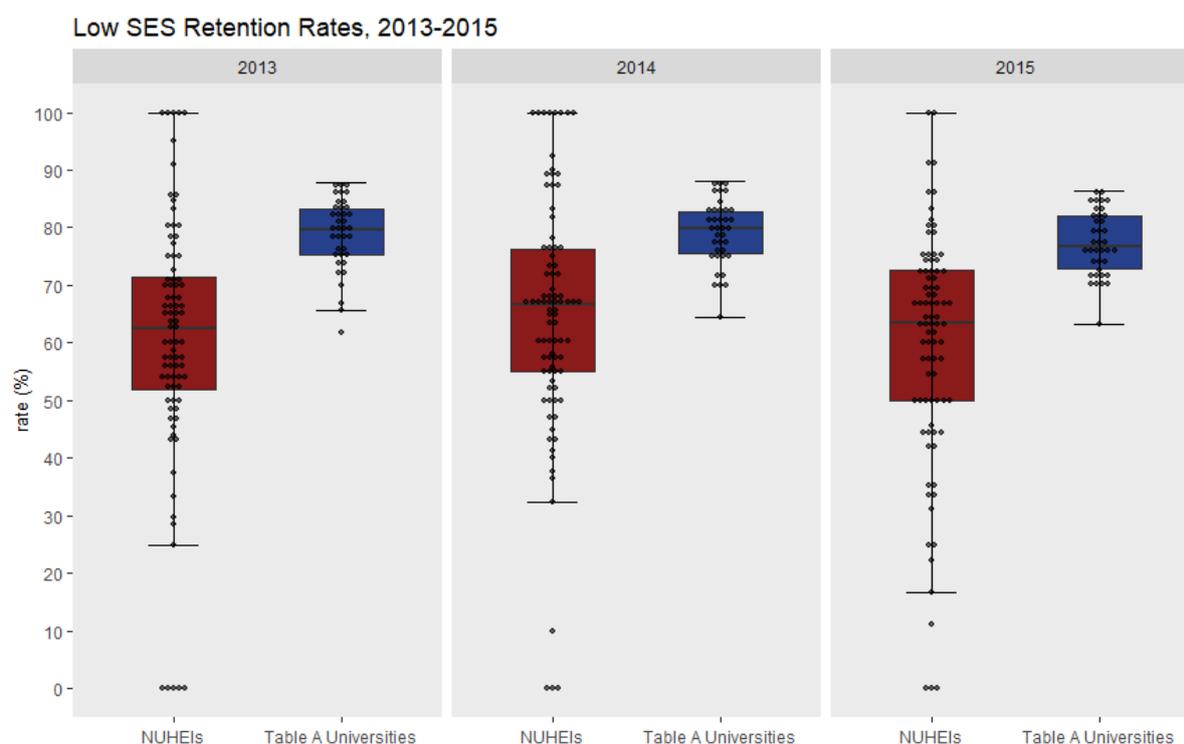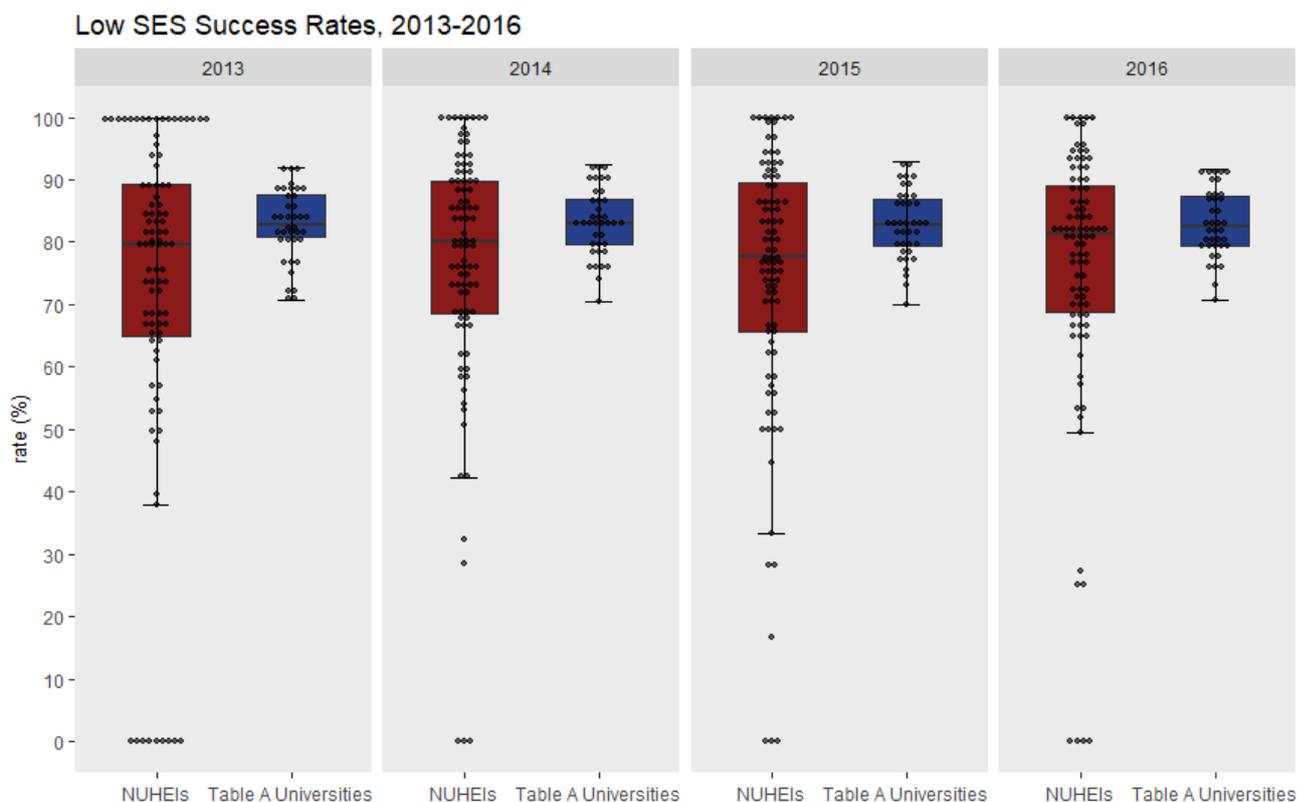
Figure 13: Low SES retention rates for NUHEIs and public universities, 2013-2015. (Data source: customised data provided by DET.)

Doubtless part of the explanation for the greater variability amongst NUHEIs in terms of equity group participation and performance lies in their relatively small size and variety of missions and structures. [6] Size is an important consideration that can be examined in a comparative analysis of public universities and NUHEIs. While the median number of domestic higher education enrolments public universities is around 26,000, median domestic higher education enrolments for NUHEIs is closer to 160 students. In fact, some NUHEIs recorded domestic enrolments of 20 students or less within the time-period included in the analysis, while only around a quarter of NUHEIs enrolled more than 500 domestic students. Any NUHEI with more than 1000 students in the time period under study is an outlier. This is clearly visible in Figure 15, which displays boxplots overlaid with dotplots of the NUHEI domestic enrolment numbers for 2013-2016.

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[6] It is likely that equity group participation, retention and success rates within NUHEIs also vary by field of study or other variables. While we have not taken field of study into account in our analysis, we have identified it as an area for future research.

Figure 14: Low SES success rates for NUHEIs and public universities, 2013-2016. (Data source: customised data provided by DET.)

With such low domestic enrolment numbers, it is possible for a NUHEI's equity performance indicator to vary considerably depending on what happens to only a small number of students. Hence there were quite a few NUHEIs with either very low or very high low SES retention and success rates in Figure 13 and Figure 14. In these instances, the base number of low SES students used to calculate the rate was either zero or very low.

Nonetheless, even amongst the NUHEIs with above 500 domestic enrolments, there was considerable variability in low SES participation, retention and success rates. For example, one NUHEI with above 500 domestic enrolments had a low SES participation rate approaching parity (24 per cent in 2016), while others with enrolments numbering in the thousands had low SES participation rates of 7-8 per cent. Similar variability across NUHEIs with above average enrolments was evident for the participation rates of other equity groups, as well as for retention and success.
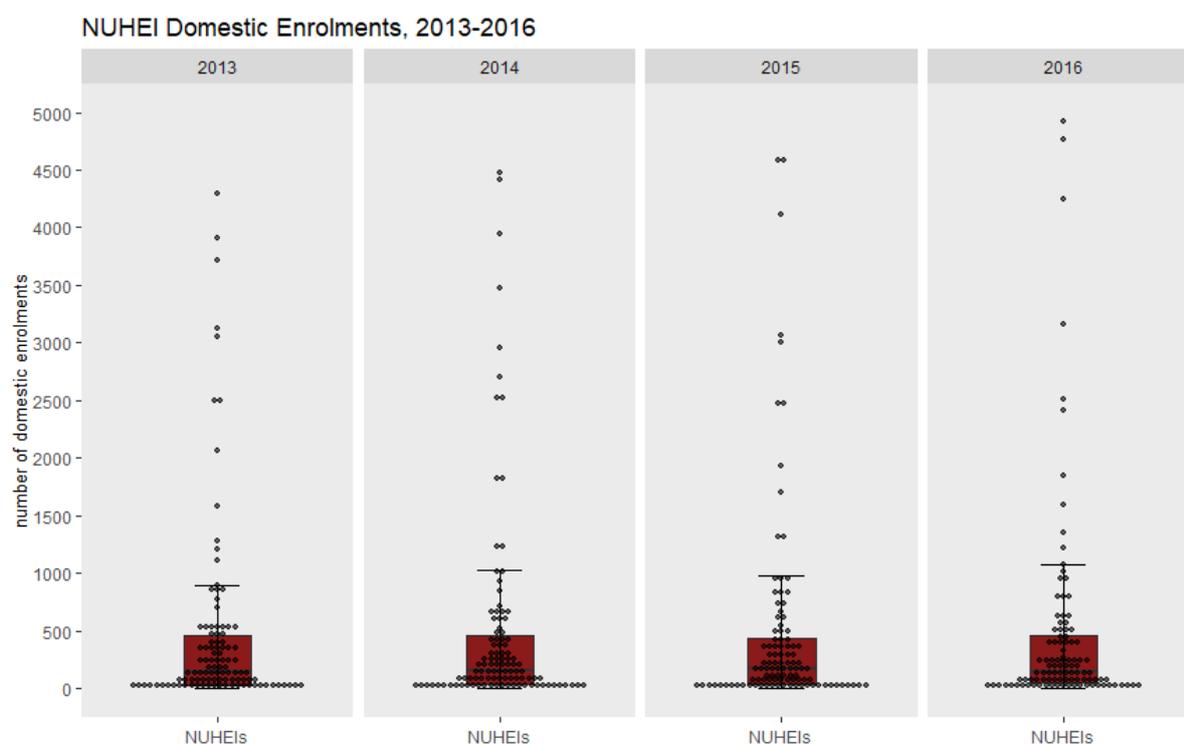
Figure 15: Domestic enrolments for NUHEIs, 2013-2016. (Data source: customised data provided by DET.)

Participation and Performance Distributions for NUHEIs and Public Universities

NUHEIs demonstrate considerable variation in equity group participation, success and retention.

NUHEIs typically exhibit lower overall participation, retention and success rates for most equity groups, compared to public universities. However, there is significant variation between NUHEIs, with some NUHEIs exhibiting higher participation and/or performance for some equity groups, and others exhibiting lower equity group participation and/or performance.

Recommendation 3: That the Department of Education and Training monitor and regularly report on the equity performance of NUHEIs.

LESSONS FROM EIGHT HIGH PERFORMING NUHEIs

The overall picture with regard to student equity within NUHEIs in Australia indicates that the sector tends to have overall lower student equity group participation and performance than the university-sector overall. However, aggregate data masks the considerable variation evident in NUHEI equity performance. In this section, we take a closer look at the NUHEIs that demonstrate high performance with regard to low SES students relative to the NUHEI distribution. We begin by outlining the process we used to identify relatively high performing NUHEIs. We then look at some of the general characteristics of those NUHEIs, in order to discern some of the similarities and differences between the high performing institutions. Finally, we provide a thematic analysis of interviews conducted with leaders from six relatively high performing NUHEIs.

Identifying high performing NUHEIs

In order to decide which NUHEIs were performing relatively well with regard to low SES students, we compared them across a number of measures. First, we looked at the low SES participation and success rates for all NUHEIs over a four-year period, from 2013 to 2016, and the low SES retention rates for all NUHEIs over a three-year period, from 2013 to 2015. Of the 101 institutions for which we received customised participation, retention and success data from DET, 30 were found to have above average participation, retention and success rates for low SES students over these time periods.

We then looked at domestic enrolments for the years 2013 to 2016. Of the 30 institutions with above average low SES performance, twelve also had above average domestic enrolments over this same time-period.

The final selection criteria we used to identify high performing NUHEIs was the Quality Indicators for Learning and Teaching (QILT) survey data. Eight of the remaining twelve institutions had above average "Overall Quality of Educational Experience" (overall satisfaction) scores in 2015 and 2016. We were therefore left with eight institutions that met the following criteria:

- Above average domestic enrolments 2013-2016, as compared to all NUHEIs
- Above average low SES participation 2013-2016, as compared to all NUHEIs
- Above average low SES retention 2013-2015, as compared to all NUHEIs
- Above average low SES success rate 2013-2016, as compared to all NUHEIs
- Above average overall satisfaction, as compared to all NUHEIs

The next section provides a brief overview of these eight institutions.

**Similarities and differences across eight high performing NUHEIs**

Figures 16-20 show boxplots of the distribution of the average number of domestic enrolments (2013-2016), average low SES participation rates (2013-2016), average low SES retention rates (2013-2015), average low SES success rates (2013-2016) and average overall satisfaction rates (2015-2016) for all NUHEIs. The boxplots themselves – in thin black lines – display the usual features of a boxplot – minimum, maximum, interquartile ranges, median and outliers. The coloured lines show where each of the eight institutions we identified as relatively high performing sit within each distribution. The thick black line indicates the average for all NUHEIs, including outliers. The important thing to note is that, in each of Figures 16-20, the eight institutions we identified as relatively high performing (i.e. the eight coloured lines) sit above the thick black line, which represents the average for all NUHEIs. Note also that the legend, included below Figure 16, is the same for all five graphs, i.e. a yellow line in Figure 16 represents the same NUHEI as a yellow line in Figures 17-20.
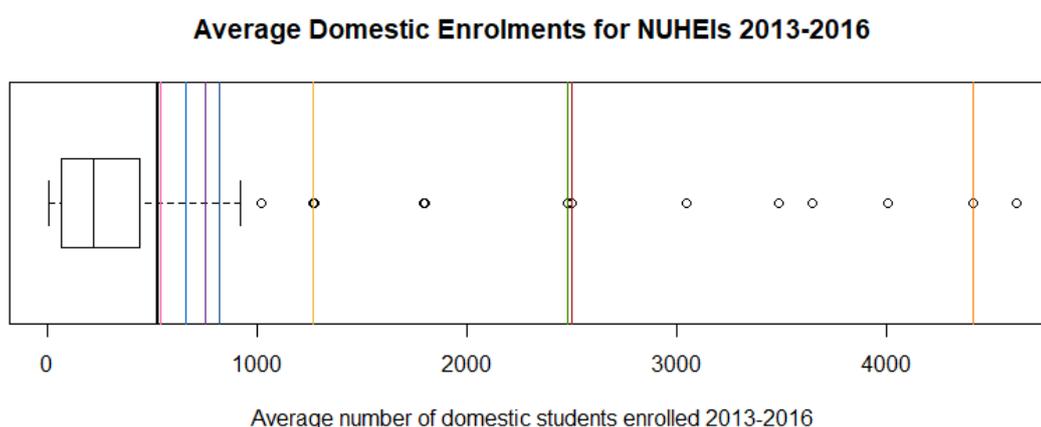
Figure 16: Average Domestic Enrolments for NUHEIs 2013-2016, n = 106 (Data source: customised data provided by DET.)
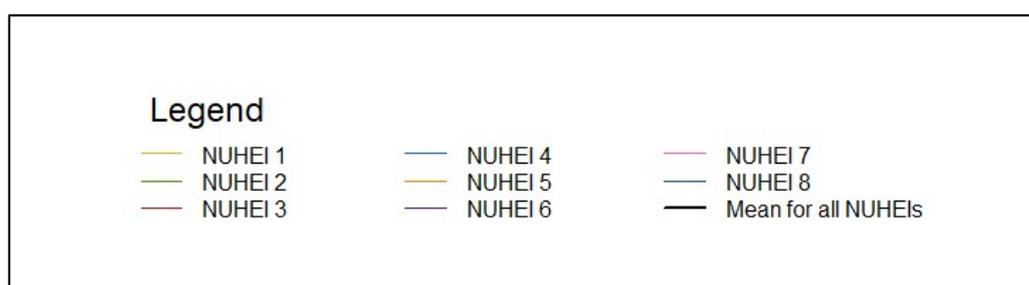
Average Domestic Low SES Participation Rate for NUHEIs 2013-2016

Average Low SES participation rate 2013-2016 (%)
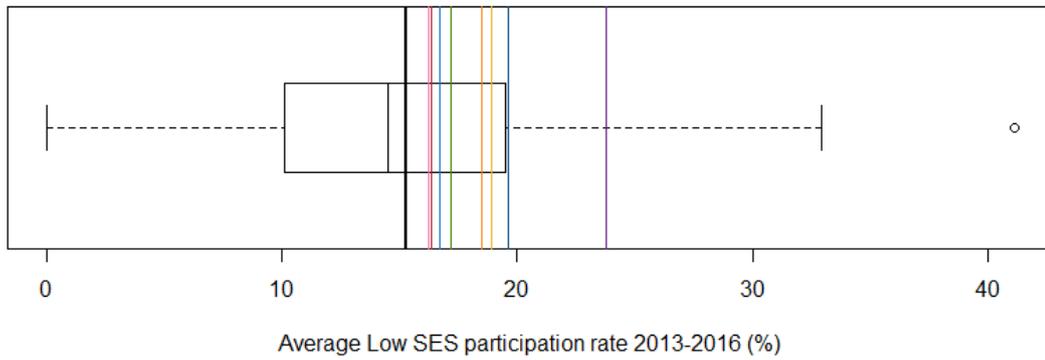
Figure 17: Average Low SES Participation Rates for NUHEIs 2013-2016, n = 106 (Data source: customised data provided by DET.)

Average Domestic Low SES Retention Rate for NUHEIs 2013-2015

Average Low SES retention rate 2013-2015 (%)
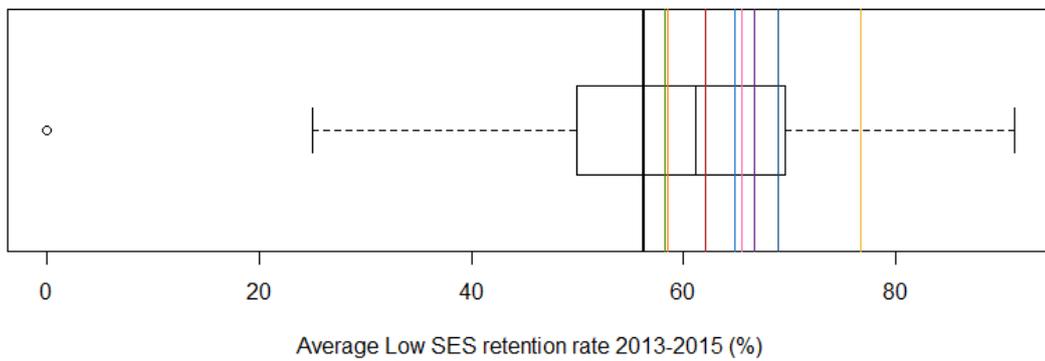
Figure 18: Average Low SES Retention Rates for NUHEIs 2013-2015, n = 101 (Data source: customised data provided by DET.)
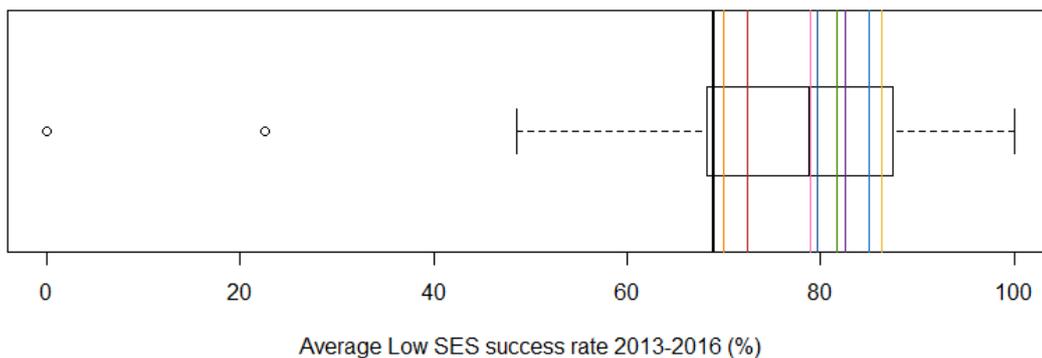
Figure 19: Average Low SES Success Rates for NUHEIs 2013-2016, n = 105.
(Data source: customised data provided by DET.)

Figure 20: Average Overall Satisfaction Rates for NUHEIs 2015-2016, n = 55. Note that the median and mean are co-located in this graph.
(Data source: customised data provided by DET.)

As can be seen from Figure 16, four of the eight institutions identified as high performing were outliers in terms of their average number of domestic higher education enrolments. Indeed, size may be a factor in their success, insofar as they may be benefitting from economies of scale. However, a handful of the other NUHEIs identified as having higher rates of low SES participation, retention and success were much smaller than the average NUHEI in terms of the number of domestic enrolments. For example, one had less than twenty domestic enrolments, with the average number of domestic higher education enrolments being around 520 students for all NUHEIs. These same NUHEIs also scored above average for overall satisfaction in 2015 and 2016. Nonetheless, it is possible that NUHEIs with fewer than average domestic higher education enrolments may still benefit from economies of scale due to their Vocation Education and Training (VET) and/or international students enrolments. These factors would need to be taken into consideration if one were to try and determine whether there was a critical mass – in terms of overall enrolments – below which it is very difficult for a NUHEI to be high performing – in general or specifically with regard to low SES students – purely due to economies of scale.

In terms of the other measures shown in Figures 17-20, the eight institutions identified as high performing were well within the second, third and fourth interquartile ranges. So none are exceptional or outstanding according to these measures. Instead, they are notable for their consistency in showing above average low SES participation, retention and success – as opposed to performing above average in only one or two of these measures. In addition, Figure 20 shows that the institutions scored above average on the overall satisfaction score, as compared to all NUHEIs.

A few points are worth noting here, in our endeavour to identify the factors underlying the success of high performing NUHEIs. Firstly, the eight high performing institutions comprise a mixture of faith-based Christian colleges, non-denominational private providers and state TAFEs, with no single category of institution dominating. Secondly, each of the institutions we identified as high performing has been around a long time – at least 30-40 years in one incarnation or another. These two pieces of information were sourced from institutional websites.

We also checked the TEQSA (2018b) register and found that one organisation has self-accrediting status under TEQSA, while another two are listed as partially self-accrediting. Five of the organisations identified as high performing do not have self-accrediting status. The Australian Charities and Not-for-profits Commission (ACNC, 2018) register revealed that five of the organisations are registered not-for-profit organisations, and three are not. Finally, four of the eight NUHEIs identified as high performing have current funding agreements under the Commonwealth Grant Scheme, as listed on the DET website (DET, 2018e).

The organisational characteristics discussed here are summarised in Table 7.

CHARACTERISTIC	YES	NO
Christian organisation/Not-For-Profit	4	4
TAFE/Not-For-Profit	1	7
Non-Denominational Private/For-Profit	3	5
Self-Accrediting Status under TEQSA	3 (2 only partial)	5
2018-2020 CGS Funding Agreement	4	4

Table 7: The number of high performing NUHEIs that share various organisational characteristics. (Data sources: institutional websites, TEQSA register, Australian Charities and Not-for-profits Commission register, DET website.)

No one type of institution appears to dominate the high performing NUHEIs. They represent a mix of Christian institutions, private providers and TAFEs; for-profit and not-for-profit organisations; some with self-accrediting status under TEQSA, and others not; and half supported by CGS funding, the other half not. The only thing consistent across the eight high performing institutions is that they have all been in existence – in various incarnations – for thirty years or more.

Interviews with leaders from six high performing NUHEIs

In order to learn more about the factors underlying the success of the eight NUHEIs identified as high performing with regard to low SES students, we requested an interview with the leader of each organisation. The leaders of six of the eight providers agreed to participate in an interview. In this section, we examine the key themes that emerged from these conversations.

Caring, committed and professional educators

What was first evident from our contact with staff within all organisations interviewed, including in contact with the head administrators themselves, was their role as education professionals. All were committed organisations and individuals, with a passion for student-centred education. In most cases, the organisations provided niche offerings, and there was a clear long-term interest and commitment not only to students, but to the industry or industries being served. The following quote captures this sense of professionalism and commitment that we encountered with all of the organisational representatives we communicated with:

> *Occasionally we have discussions with faculty who say, 'We want better students, so therefore we should increase our entry standards.' The response from myself and the opinions of the other leaders within the organisation is, 'No, we are professional educators. If we want better students, we've got to get better at teaching and we've got to get better at things like differentiated learning strategies.'*

As caring and committed educators, all of the interviewees were very interested in our research, and keen to contribute. Approximately half had worked for the organisation for an extended period of time (i.e. decades), while the other half had moved across from the university sector more recently. All had been working in higher education for most of their careers.

Student-centred education

A second striking theme to emerge from the interviews was that all of the organisational representatives were passionate about student-centred education. For those who had moved across from the university sector, the comparison in terms of the degree of focus on the student was stark. One interviewee commented:

> *You can really tell the difference in terms of that personal level of service. You really are a name and not a number. Everybody knows everybody. The academics are more personable.*

Another interviewee made a conscious choice to move from the university sector over to the NUHEI sector partly to be able to apply a more student-centred approach to their pedagogy. They describe the contrast thus:

> *Without question, the organisation is geared towards the student. That's in the fabric, the DNA of the organisation. Coming from an organisation where research output was the main measure for my performance, but I had teaching responsibilities as well, I had to fight and*

> *argue in the university context to get the time to spend crafting my teaching efforts. But that's just not an issue here. I would go in thinking I needed to train my argument and rehearse my points, but I wouldn't even get through the first one, because it was just a clear commitment to the fact that they would be focussing on the student and the student needs. Yeah, so I think that at its heart everybody is focused on the idea that we're here for the student.*

The Christian organisations considered that their strong focus on the student and their individual needs was underpinned by their faith-based values:

> *Our values drive us to engage the students in a specific manner. And I would talk about faith values first in that context. Because we value people. One of our values, for instance, is respect and care for the individual. Under that, we say that we affirm that every individual is created in the image of God and therefore has God-given words and dignity which demand our respect and care.*

The organisations with niche offerings in the helping professions (e.g. counselling, psychology, etc.) considered that their commitment to the individual student was partly as a by-product of the particular professional interests of their staff:

> *The academics are – I don't want to say touchy-feely, because it gives the wrong impression – they're more personable. Just that culture of human interaction and that response to people in need, it attracts a particular type of academic that you wouldn't necessarily get in other disciplines and then because that is our sole focus in terms of our course portfolio it just manifests itself through the culture of the organisation.*

However, even for organisations that were neither faith-based nor focussed on the helping professions, their strong sense of commitment to individual students and their personal and professional development was clearly evident.

Small cohorts and class sizes

All interviewees agreed that the level of student-centredness of their organisations was partly enabled by the organisation's relatively small size. While a number of the organisations we interviewed were outliers in the sense of having thousands of domestic enrolments, they are still very small compared to the average public university. Fewer overall enrolments in turn leads to smaller class sizes. One interviewee commented that:

> *We try not to run class with less than 10 students. But a lot of our classes would have only 20 to 30 students. A minority of our classes would have 100 students or more.*

Another interviewee said:

> *A bigger class would be 28 maybe early on, and then they could go down to 10 in a class. Some of our practicals are one teacher to four students. It's quite intimate in that regard.*

These class sizes obviously contrast with universities where the majority of lectures have 100 students or more.

Smaller class sizes means teaching staff are able to spend more time with individual students, and that students are more likely to have direct contact with their lecturers, rather than through tutors. A number of interviewees noted that, because teaching staff develop closer relationships with their students than they might in a larger institution, they sometimes take on more of a pastoral care role in addition to providing additional academic support, and the demands on their time can become quite heavy as a result. In recognition of this extra workload, and in support of the dedication to students, one organisation recently negotiated a pay rise for their casual staff:

> *They've got to really be here for more than just week-in, week-out pay. It's got to be that whole empathy and caring about the students. That comes across and that shows, and we see more success in those environments. Some of these guys, they're on contracts, so we negotiated to pay them a bit extra, for them to play that supporting role outside of that face-to-face class. They're not thinking, 'I'm only paid for three hours, I'm not going to do more than three hours.' A lot of them were doing extra hours anyway and it was just a way to acknowledge and reward this because they are really at the coalface and they actually really enjoy it.*

Another interviewee reflected:

> *People [within our organisation] don't work for a salary first and foremost, but because they want to.*

Strong sense of belonging and community

Another common theme to emerge from the interviews was the strong sense of belonging and community felt by staff and students alike. Again, this is no doubt partly a result of each organisation's comparatively small size – relative to public universities – with the increased intimacy making it is easier for a sense of belonging and community to emerge. However, most of the organisations we spoke with also actively work to foster this:

> *We actually build student interactions and also community engagement into staff workload. You've got the normal lecturing workload and then you've got research and then you've got community engagement and interaction with students and so forth.*

Another interviewee commented:

> *We aim to establish a supportive community of learning. That's how we drive the learning that happens here.*

In addition, according to the interviewees, each organisation also tends to enrol students from somewhat similar backgrounds, with somewhat similar outlooks and personal and career ambitions, thus making it easier or more likely for a sense of cohort to form. This is likely a result of geography,

in some cases faith or religion, and also the smaller range of course offerings available at the high performing NUHEIs, compared to the average university, thus appealing to those with similar interests:

> *It is part of belonging to a particular kind of tribe in many ways. I think the fact that our lecturers, because we have a number of sessional lecturers who are still connected to the industry and quite active, they actually understand these students, and the students, many of the students then respect these people as well because they were kind of one of them and they get them. And they're really connecting in that way, and they really like that whole like-minded approach.*

Student equity

While the organisations interviewed were selected specifically for their higher participation and performance rates for students from low SES backgrounds, they often also had higher participation and performance of at least one other equity group, e.g. students with a disability, regional students and/or Indigenous students. However, none of the organisations we spoke to felt that they specifically targeted any of these groups in their marketing and recruitment. Instead, they considered that the demographic profile of their students had come about more by accident, or circumstance, than by design. A number of interviewees spoke about their "everyone is welcome" attitude – even, or especially, those who may not have done well at school. One interviewee commented that:

> *We actively seek to provide opportunities to students who are normally excluded from higher education and study. There's certainly a large population of students who don't do well at school, and it's not because they're not capable, it's just because the traditional, one-size-fits-all model of education doesn't actually give you a true indication of their ability and we find that those students are the students who do well in our discipline groups.*

Another organisation expressed a similar interest in recruiting students who did not necessarily do well in school, and about how this necessitates a more contextual selection process:

> *One thing that stands out to me is that, we understand that our students, irrespective of their backgrounds, may not always do well in high school. Being the creatives, they might be the quiet one in the room that's just disengaged. They're a little bit different and we're okay with that. That's why one of the key criteria we look for is an interest and a passion for the creative industry … We place a lot of emphasis on our interview, our teaching process and maybe our creative portfolios as opposed to academic marks.*

And presumably, considering the organisations' higher retention and success rates, once enrolled, most student's needs are being met. Again, this is likely as a result of their relatively small and intimate size (compared to universities), combined with their strong focus on individual students. However, most of the organisations offered the usual range of academic and other student supports, including early warning systems, mentoring programs etc. In some cases, the organisation had

adapted itself to meet the needs of specific equity groups of which it had become aware that it had higher participation rates. One organisation introduced a student counselling service after realising it had a large number of students with mental health issues. Another was working to create stronger links with the local Indigenous community because they had become aware that they had a higher proportion of Indigenous students.

Interviewees had a basic level of awareness of which of the six main equity groups were well represented within their student population, none were closely tracking and/or monitoring performance with respect to the six groups. We were able to discern that this was primarily due to a lack of capacity. Prior to the interview, we supplied data to each organisation indicating their performance in relation to low SES students, because this was the basis on which we had selected them for interview. We showed how their performance with regard to low SES students compared to the average NUHEI, the average university, and non-low SES students within their institution. Most interviewees were very interested to see this data, and most had not seen it before – at least, not in this form. Some had tried to perform this kind of data analysis using their institutional data but had not yet managed to. A few were keen to receive the same sort of data analysis for other groups for which they were aware they had above average participation rates (e.g. Indigenous students and/or students with a disability), in which case we gladly supplied this to them. In general, however, tracking and monitoring progress across the six main equity groups was not something the organisations regularly do.

Established structures and processes

For the most part, organisations appeared to replicate many of the same structures and processes as a university, in particular with regards to marketing and recruitment, student support, academic standards and quality assurance, etc., albeit at a smaller scale. In terms of marketing and recruitment, the NUHEIs we spoke with didn't appear to be doing anything too differently from universities – going into schools, holding open days, etc. – just perhaps focussing on slightly different target groups, e.g. those who were unlikely to go on to university, or mature age students. While most universities also target these groups, they are not generally their sole focus.

In terms of quality assurance and academic governance, again, organisations seemed to have very similar structures and processes in place to those within universities. For most of the organisations we spoke to, they felt that becoming a registered higher education provider in the mid-2000s was partly assisted by the fact that they had previous experience in higher education through their relationships with universities:

> *We were playing a little bit in the higher ed. circles, even prior to us actually being in higher ed., so we had a decent understanding of what was required and the expectations. So I think the transition to higher ed. from vocational was a little bit easier for us maybe, compared to some other providers who were trying to do the same thing at the same time.*

Equity at and beyond the boundary of Australian universities

Most interviewees considered that the regulatory burden had been diminished with the introduction of a single, national regulator in 2011 (i.e. TEQSA), several also commented that the regulatory burden is still very high for non-university higher education providers:

> *I think most of our challenges are in the area of quality assurance and compliance, specifically regulatory overburden. Because we're a small organisation – and every other smaller organisation would tell you the same, I suspect, today – the regulatory overburden impacts us much more directly and much more highly in terms of the percentage that it requires out of our normal budget to manage, to expand. We know that we deliver good outcomes but it comes at high cost internally. Our overheads are higher, no doubt about it. And so we have less resources to spend on the things that we consider important.*

Government support and funding

A number of interviewees observed that the biggest factor impacting on student equity within their organisation, from their perspective, is the inconsistent treatment of NUHEIs and public universities within the higher education regulatory landscape. For example, according to one interviewee, the fact that the majority of students who access FEE-HELP to enrol in an undergraduate or postgraduate degree at a NUHEI will incur a 25 per cent loan fee is further disadvantaging students who are likely to be excluded from university:

> *We consider that the current regulatory landscape has actually been detrimental to student choice, and student progression, to qualifications that would be suitable for them. It is very traditional, very university-centric, and that works against the diversity of the sector and against particular student groups. The biggest thing from our perspective is the fact that our students are slugged with a 25 per cent loan fee for choosing to come to an independent provider. That's huge. That's ridiculous. It's the exact same accredited qualification, under the same regulatory standards, under the same bodies. Students are essentially penalised for making that choice. That's probably the biggest standout for us, that arbitrary divide that disadvantages students who choose a private or independent provider.*

Another interviewee expressed concern that students who may do better in a non-university environment were inclined to choose to go to a university because it is cheaper, and that this was having a detrimental impact on certain groups of students, especially first-in-family and those from low SES backgrounds:

> *We lose a lot of students to the university sector, but we also see that after three or four or six months, those students leave the university sector, because they didn't understand how to be successful, and they didn't have the right support. And they're so bruised by that experience, they feel that they have failed because they couldn't make it work.*

> *In the end, that's concerning because it's the student that we lose. And we lost the opportunity to have a really genuine conversation about how we support those students to stay. Because what the universities did is to say that they did it well and they did it doing all*

these things, but actually they haven't done it that well. And that voice, that very strong voice [of universities] crowded out the good work and the good learnings that could be had by organisations like ours.

I just think that, in the last 6 or 8 years, the real regard for the student has been lost. Because in the end those students that leave the system find it very difficult to come back, because the experience has been so full of negatives for them, and they haven't been able to navigate it successfully. It takes a long time for that student to step back in, and we've kind of damaged the opportunities in their lives as a result of that.

Interviews with leaders of six high performing NUHEIs

High performing NUHEIs exhibit a strong focus on teaching and student welfare and have concerns about the premiums that students accessing FEE–HELP must pay in order to fund their education at NUHEIs.

Core themes of the interviews highlighted a shared commitment to student-centred learning combined with learning environments that have small cohorts (relative to public universities) and a strong sense of community. Interviewees also indicated the biggest factor impacting on student equity was inconsistent treatment of NUHEIs and public universities within the higher education regulatory landscape.

We note here that cost differential for students between a Commonwealth Supported Place and Full Fee place at a NUHEI involves both the absence of the commonwealth contribution and a loan fee.

Recommendation 4: That the Department of Education and Training promote and capture good equity practice among NUHEIs, and disseminate this practice throughout the broader higher education sector.

CONCLUSION

This report presents the findings of research into the social demography, learning outcomes and educational experiences of students enrolled in two distinct modes of higher education delivery in Australia – university programs delivered through third party arrangements, and higher education courses delivered by non-university higher education institutions (NUHEIs). The research provides new insights into both domains of the sector.

Third party delivery is growing and currently includes a significant number of Commonwealth-supported students. Programs delivered through third party arrangements do not typically appear to be directly targeting equity students, but the third party delivered courses within the institutions examined demonstrated a higher rate of low socioeconomic status participation than courses delivered directly by the universities. Student success and retention is lower for students across each equity group for those undertaking programs delivered through third party arrangements.

The project delved into the details of various policy reference points including funding agreements, annual reports, policy libraries and handbooks. The variety of terms utilised in third party delivery was perplexing from a research perspective. We do not believe this variety serves the interests of students. It is not consistent with efforts to improve the quality and consistency of information provided to students through QILT and transparency in admissions. There is reason to review higher education reporting and publication requirements to achieve more effective representation of sub-contracting and franchising arrangements to students.

There is little evidence that disadvantaged students are being inappropriately recruited as was observed in vocational education under VET-FEE HELP and described in the international literature. There is no immediate crisis that warrants an urgent response. Nonetheless, lower levels of success and retention do suggest there are quality matters in play that warrant more policy attention.

Monitoring of equity in third party delivery is not easy in the current policy context. There is no standard language used across policies, and the underlying structure of higher education data makes it difficult to identify third party delivery activity. The Commonwealth Department of Education and Training is best placed to review data collection and reporting and to establish new norms in how third party delivery is defined and reported against. Implicit in any changes to definitions and reporting conventions is the underlying structure of data requested of higher education institutions through HEIMS and PIR.

NUHEI delivery is also growing and the research highlights that there are some institutions that perform strongly on equity grounds – spanning participation, success, retention and satisfaction – and other institutions that do not. The wide range of equity group participation and outcomes observed in this study warrants continued monitoring of equity performance in NUHEIs. Again the Commonwealth is best placed to review higher education data collection and reporting to support continued monitoring of equity performance in NUHEIs.

Transparency of performance data is an important driver of quality improvements across the sector, but so too is the process by which good practice is identified and shared. Qualitative interviews were undertaken with leaders from institutions purposefully selected for strong equity performance to better understand key factors in achieving this outcome. Themes emerging from the interviews included the importance of a commitment to student-centred learning combined with learning environments that have smaller cohorts and a strong sense of community. We advocate for greater sharing of good practice in teaching across the sector, and to improve the equity performance of NUHEIs.

NUHEI leaders also reported a sense of inequity in Commonwealth funding and the design of the higher education loan program. Routine publication of NUHEI equity performance will contribute to the evidence base on which NUEHI policy can be developed and implemented.

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APPENDICES

Identifying Third Party Delivered Courses at Five Universities

A complete list of courses with domestic enrolments for the five universities identified as engaging in significant third party delivery of onshore domestic teaching services was requested from DET. The list included 2983 courses split by course name, location of delivery and mode of attendance.

Each university provided slightly different details about its third party delivered courses on institutional websites and in student handbooks. The process used to separate third party from non-third party delivered courses varied for each institution, as detailed below.

Federation University

For Federation University, there were a total of 225 courses split by location and mode of attendance. All courses delivered at the Mt Helen, Churchill, Ballarat and Wimmera campuses (postcodes 3350, 3842, 3356 and 3400) were assumed to be delivered by the university. This left only 39 courses remaining. Sixteen of these could be matched to courses known to be delivered by third parties in the locations provided. A further seventeen are delivered in locations far from FUA campuses (e.g. Melbourne, Sydney, Bendigo, Brisbane and Mildura, and so are assumed to be third party delivered). The last six courses appear to be delivered at Federation Training campuses, and it is unclear whether or not this is by third parties, so we have assumed not. The 2016 enrolment figure for the 33 courses known and assumed to be third party delivered is 371.54 EFTSL.

Swinburne University

For Swinburne University, there were 620 courses listed, split by course name, course location and mode of attendance. Course names that approximated those from the Swinburne Online course list and that had external enrolments were assumed to be third party delivered. The resultant list of 41 courses had 5930.50 EFTSL enrolments in 2016.

Charles Sturt University

For Charles Sturt University, the list included a total of 813 courses split by course name, course location and mode of attendance. The Charles Sturt University partner locations website (CSU 2018) was used to identify six courses fully delivered by third parties. These were the only courses included in the third party inquiry for CSU. (Note however that CSU also has a range of integrated and articulated programs with TAFEs.) There were 222.75 EFTSL enrolments in these six courses in 2016.

Southern Cross University

For Southern Cross University, the list included 342 undergraduate courses split by course name, course location and mode of attendance. All courses delivered in Lismore, Coffs Harbour, Coolangatta and/or Tweed Heads were deleted. Three courses delivered in Melbourne and Sydney

were remaining. These matched the courses identified as third party delivered on the Southern Cross University website (SCU 2018). There were 156.63 EFTSL enrolled in these courses in 2016.

University of Canberra

For the University of Canberra, there was a total of 982 undergraduate courses with domestic student enrolments, split by course name, course location, and mode of attendance. All courses delivered in Bruce (postcode 2617) aside from the four that are delivered online by Ducere were assumed to be delivered in-house. This left 77 courses remaining. Most were able to be matched to course names and locations known to be delivered by third parties in Brisbane, Sydney, Melbourne and on the Gold Coast, or online by Ducere. The others were assumed to not be third party delivered, leaving 75 courses with 603.93 EFTSL enrolments in 2016.

Interview schedule – University Staff

We are interested in good practice examples of university-administered undergraduate courses that are:

- delivered by third parties;
- have high levels of equity group participation (including but not limited to low socioeconomic status); and,
- deliver good learning outcomes (including measures of success, retention, completion).

Courses operated by your institution have been identified as meeting these criteria.

We would like to ask some questions about the history and experiences of some specific courses – for example (_____name relevant courses) – in the hope of learning more about the factors underlying these achievements.

1) What is the history of these courses? For how long have they been delivered through third party arrangements?
2) What was the process that led to operating these course through third party arrangements?
3) Are there any particular factors that enable the effective delivery of these programs through third party arrangements?
4) Have there been any stumbling blocks along the way?
5) Are you able to elaborate on these hurdles and how you overcame them?
6) What is your process for quality assurance of third party arrangements and how has this changed over time?
7) Was equity group participation a key consideration in utilising third party arrangements for these programs?
8) Are equity groups specifically considered in marketing and recruitment of students into these programs?
9) Are the needs of equity groups specifically considered in the operations of these programs?
10) Prior to this research project, were you aware that the equity group participation and learning outcomes for this course were relatively good/high?
11) Have you attempted to replicate these successes with other courses? What have been the outcomes of any such attempts?
12) Is there anything else you would like to say/add about equity group participation and learning outcomes through third party teaching arrangements?

**Note that these questions are indicative only as the interview is intended to be semi-structured and to adopt a more conversational-style format.

Interview schedule – NUHEI Staff

We are interested in good practice examples of non-university higher education institutions that demonstrate both:

- high levels of equity group participation (including but not limited to low socioeconomic status); and,
- good learning outcomes (including measures of success, retention, completion).

Your institution has been identified as meeting these criteria.

We would like to ask some questions about the history and experiences of your organisation in the hope of learning more about the factors underlying this achievement.

1) What is the history of the foundation and evolution of your institution?
2) How has your institution changed over time – in terms of courses delivered, location of operation, and student demographics?
3) What factors have driven these changes?
4) Are there any particular factors that contribute to the continued success of your institution?
5) Have you encountered any stumbling blocks along the way, and if so how have you overcome them?
6) What is your process for quality assurance and how has this changed over time?
7) Is equity group participation a key consideration for your institution? Has this changed over time?
8) Are equity groups specifically considered in marketing and recruitment of students into your institution?
9) Are the needs of equity groups specifically considered in the operations of your programs?
10) Prior to this research project, were you aware that the equity group participation and success rates for your institution were relatively good/high, as compared to other non-university higher education institutions?
11) Have you implemented any particular strategies in order to achieve high equity group participation and success rates?
12) Is there anything else you would like to say/add about equity group participation and success rates at your institution?

**Note that these questions are indicative only as the interview is intended to be semi-structured and to adopt a more conversational-style format.

La Trobe University

latrobe.edu.au