Lessons from VET providers delivering degrees

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Publisher’s note

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About the research

Lessons from VET providers delivering degrees

Victor J Callan, Callan Consulting Group; Kaye Bowman, Kaye Bowman Consulting

This report is focused on the strategic, capability and operational reasons why traditional vocational education and training (VET) providers move to the delivery of higher education qualifications in their own right, in addition to their vocational qualifications. It is particularly interested in associate and bachelor degrees. This became an increasingly important issue following the proposed opening-up of Commonwealth Supported Places to non-university providers under the higher education reforms outlined in the 2014 federal Budget. However, these anticipated changes have not occurred, potentially limiting VET providers’ commitment to make such changes to delivery.

By undertaking six case studies with both public and private VET providers, this research highlights the experiences and lessons learned by these institutions in delivering higher education qualifications. These case studies provide useful information for any VET provider considering adding higher education delivery to its current suite of qualifications.

Key messages

- In terms of strategic considerations, the case study organisations chose to deliver associate and bachelor degrees as a means for providing pathways into higher education for their VET graduates. They generally deliver these degrees in niche markets, those in which they have existing strengths and which will set them apart from other providers. They see their competitive points of advantage as the highly applied and field-based nature of their degrees and their smaller classes, with more personalised support for students than in traditional higher education providers.

- Locating suitably qualified staff to deliver their degrees was not a major challenge. However, organisations highlighted the challenges associated with moving VET staff to teaching in higher education and with providing opportunities for scholarship for staff teaching in higher education. Views on what is appropriate scholarship are still emerging and are more aligned to the applied nature of the higher education programs offered by their organisations.

- The cases suggest that it is important to involve industry in the planning and implementation of higher education degrees. VET providers also reveal that strategy and positioning relating to the delivery of degrees is constantly under review. They have clear short-term goals but longer-term goals are open to change.

- Due to recent changes in VET funding policies in some states and the additional burden of having to report to two separate regulatory bodies, these VET providers have faced some challenges and this has led some of them to reduce the delivery of higher education qualifications in their own right. One view was that a single regulatory body for both VET and higher education would greatly decrease this burden along with the opening-up of Commonwealth Supported Places.

Dr Craig Fowler
Managing Director, NCVER
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We gratefully acknowledge the willingness of the six case study organisations to share their experiences of transitioning from delivery in vocational education and training to delivery also in higher education. These case study organisations are among a minority of public and private VET providers that have to date made the transition to delivering degrees in their own right. Their agreement to be identified reveals their willingness to share their experiences openly with the VET and higher education sectors, including what they have managed well, but also where challenges continue to exist. We thank them for their openness and frankness. Our particular gratitude goes to the participants listed below for the time and effort provided to participate in the interviews and validation process.

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Helen Batey, Director of Higher Education & Head of Academic Services Division, Think; Anne Murray, Manager, VET, Think; Trish Fairburn, Head of Academic Studies, Higher Education, APM College of Business and Communication, Think; Stuart Wiggins, Quality and Risk Manager, Faculty of Business and Hospitality, Think; and Sue Buckle, Head of Academic Studies, Naturopathy, Southern School of Natural Therapies, Think.

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Executive summary

The recent growth in the number of registered vocational education and training (VET) providers delivering associate degrees and bachelor degrees in their own right has been well publicised. However, little is known about why these VET providers have made this transition, what support is being provided to their staff and students, and how the associated operational issues are being managed.

Through the completion of 23 interviews with key staff during the last half of 2013, six in-depth case studies were developed. The aim was to establish a better understanding of the major drivers and key challenges facing these institutions as they transition to offering higher education qualifications. The case institutions were Canberra Institute of Technology, Holmesglen Institute, Polytechnic West, TAFE SA, Tabor Adelaide and Think Education. They were chosen for their diversity in size, type, the length of time they have delivered associate and bachelor degrees, the fields of study in which the degrees are being delivered, and the jurisdictions in which they operate. They are among a minority of public and private VET providers that to date have made the transition to delivering degrees in their own right.

Strategic issues

To keep Australia internationally competitive, we need to increase the number of Australians who are qualified at the diploma to bachelor degree levels to fill the growing number of paraprofessional and professional jobs. One of many strategies being implemented to achieve the required growth is the development of more mixed-sector educational institutions.

In most cases, these organisations have delivered VET programs as their major role. In their move to higher education delivery, there was no evidence that these organisations were passive or accidental players in the higher education market. They were seeking to complement rather than compete with major universities, and have done so by establishing special points of difference to attract higher education students. In some cases, governments and agencies in their jurisdictions were active agents in shaping the strategies around which qualifications might be offered.

The major strategic drivers for moving into higher education were to increase the revenue base of the organisations and to provide access to higher education for their VET students or others who may not otherwise have entered a university degree program. Their supply of higher education degrees is predominantly in the niche markets in which the institutions believe that they have existing strengths. These strengths include the capability to design and deliver the applied fieldwork qualifications that specific industries (for example, hospitality, tourism, design, health, computer gaming, police and forensic science) require to raise the professional standards of their key staff. Moreover, these organisations came into higher education delivery with considerable experience in innovative ways to promote greater flexibility in higher education programs.

Student and staff support

The institutions varied in the extent to which staff taught across the VET and higher education sectors. Some choose to confine teachers to only one sector, while others are working to allow VET staff to teach higher education qualifications. The organisations did not report any major challenges in locating suitably qualified staff to teach their higher education programs. They make use of a large pool of qualified sessional and casual staff who are also qualified to teach higher education programs.
None of the case study providers has concerns about their ability to design and deliver successful higher education programs. However, each highlighted the challenges associated with defining and providing access to scholarship for higher education teaching staff, with their views on appropriate scholarship still emerging. Currently, scholarship activity is aligned more to the applied and professional nature of their higher education programs rather than to the undertaking of academic research. In some cases, existing partnerships and networks with universities and TAFE (technical and further education) institutes are being used to support activities concerned with the scholarship and the professional development of their higher education staff.

In general, the student support services provided to higher education students have evolved and increased over time. These higher education supports are additional to the existing supports for VET students, which higher education students also can access. The rates of student engagement and attrition require constant attention, with a range of strategies in place to promote access, participation, completion and employment. More higher education-specific support for students includes smaller classes with ready access to teaching staff; the use of multiple mechanisms up-front to test student readiness for higher education study; extra tutorial support in some more theoretical and academic core courses; literacy, numeracy and computer skills support programs; use of individual learning plans for at-risk students; the redesign of higher education qualifications to promote the more applied orientation of the qualifications as a balance to the academic focus; and support for more gifted students. In sum, developing and maintaining a strong student-centric culture is allowing these public and private VET providers to compete against much larger and better resourced universities.

**Operational issues**

These organisations have managed, and continue to manage, numerous operational challenges in offering their higher education qualifications. A major challenge is the financial cost as well as staff time to seek and maintain accreditation of higher education degree courses and higher education provider registration. Except for a few special-needs cases (for example, for some nursing and education degrees at Holmesglen Institute and education at Tabor Adelaide), organisations currently do not receive Commonwealth funding for their higher education students, although students often do access FEE-HELP. Maintaining viable class sizes is a day-to-day concern for these organisations, where higher education is a minority part of their activity.

Our cases reveal strong and evolving governance structures to support the development and delivery of their higher education qualifications. In the initial years of higher education delivery, the operational arrangements for higher education are often managed as exceptions to existing VET arrangements. Over time, supporting units, governance structures, policies and procedures have become more differentiated, with the formation of a higher education support leader and unit being a key milestone in this differentiation. In particular, the governance and regulatory environment has changed considerably with the establishment of the Tertiary Education Quality Standards Agency (TEQSA). All organisations report that meeting TEQSA’s early expectations have been costly in terms of direct financial costs, lost opportunity costs, and staff time, including staff time to rework submissions. The cost of seeking and meeting the agency’s requirements is one factor in the recent decisions by some institutions to reduce their delivery of higher education qualifications in their own right. In some cases a factor has been recent changes in state VET funding policies. Rather than dropping higher education, some providers will still deliver these higher education qualifications but in partnerships with universities or other providers. All six case organisations plan to maintain their
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higher education capacity as far as possible and to increase their higher education involvement when there is a sound business case to do so.

Best practice guidelines

A key purpose in preparing the six case studies was to identify guidelines to assist VET providers that have or are considering future transition into the delivery of higher education programs. The best practice ideas that emerge from the cases include:

- **Be strategic**: success is linked to the supply of higher education degrees to niche markets in which providers have existing and special strengths. In particular, successful VET higher education providers are delivering the applied field-based qualifications required by industries. Industry needs to be involved in all aspects of the strategic planning and implementation: from the development of the business plan, to offering industry experts the opportunity to assist in the design and delivery of higher education courses, to providing student placements and industry projects that enhance the employability of graduating students.

- **Develop the business case**: in the current environment, a strong business case must exist for any new higher education qualification. Organisations need to examine the benefits of introducing higher education programs into a traditional VET organisation: the potential to increase revenue; the ability to leverage off the experience and capability gained from delivering existing VET programs; and the roll-on effects to their VET qualifications and the institute’s brand through the inclusion of higher education. However, organisations need to investigate the costs, including: setting up appropriate governance structures, accreditation and re-accreditation processes; managing a fee-for-service regime and culture; and the costs and planning for additional supports (for example, extra tutorials, monitoring student progress) to assist students who take up the higher education qualifications. In addition, they must examine the opportunities but also the risks associated with possible changes to relevant key policies.

- **Work up to delivering higher education in your own right**: the case studies reveal that organisations need to gain experience first in other VET-to-higher education arrangements. These experiences, either through partnerships with universities or other arrangements, develop the higher education knowledge and capability of staff. In particular, contracted higher education delivery develops staff, who are then better prepared for higher education programs; staff begin to explore their own ideas and strategies relating to the delivery of a higher education portfolio in their institution.

- **Develop appropriate academic governance arrangements**: initially, different operational arrangements for higher education are often managed as exceptions to VET arrangements. Supporting units, governance structures, policies and procedures become more differentiated over time, with the formation of a higher education support leader and unit being a key development for this differentiation.

- **Provide additional student support**: a range of strategies are required, in addition to those already in place, to support higher education students. Strategies include the provision of: smaller classes; up-front mechanisms to test student readiness for higher education study; extra tutorial support; literacy, numeracy and computer skills support programs; monitoring for at-risk students through individual learning plans; and course redesign that promotes the more applied orientation of the higher education program.

- **Promote scholarship**: VET providers need to develop an appropriate model for scholarship to underpin higher education provision and add value more generally to teaching and learning in their
institution. This can be done through leveraging off established partnerships with local universities and other VET organisations offering higher education in their own right to provide access to opportunities for scholarship and professional development for their higher education staff.

- **Adopt continuous improvement**: expect higher education operations to evolve over time with experience. Setting up in higher education is a long-term venture requiring concerted effort on several fronts within a continuous improvement framework.
Introduction

Research aims and questions

While still small, the number of registered VET providers delivering associate degrees and bachelor degrees in their own right has grown. This research project aims to promote a better understanding of the drivers and key challenges involved and to identify best practice approaches as a guide for VET providers that have made or plan to make transitions into higher education. Three research questions were investigated:

- Why are VET providers moving to deliver associate and bachelor degrees in their own right?
- How are the VET providers supporting teachers and support staff to deliver higher education qualifications and how are they assisting their learners to complete these qualifications?
- What views and concerns do VET providers have with the range of funding, reporting, curriculum, accreditation and other operational factors that need to be managed to deliver higher education?

Research context

Australia’s future workforce will have a shortfall of qualified people to fill the growing number of paraprofessional and professional jobs required to keep Australia internationally competitive (Burke & Shah 2006; Access Economics 2009). Therefore there is an economic imperative to increase the number of Australians who are qualified at the diploma to bachelor degree levels, in which associate degrees also fit, to keep Australia internationally competitive.

Many strategies are being implemented to achieve the required growth. Today, there are numerous examples of VET providers that have partnered with higher education providers to develop pathways between their VET and higher education qualifications through improved articulation and credit transfer arrangements (Phillips KPA 2006; Wheelahan et al. 2009). In addition, there are many examples of VET providers partnering with higher education providers to deliver the early years of higher education programs via contracted delivery. Furthermore, some educational institutions are going it alone: they have become a provider of both VET and higher education in their own right, achieving vertical integration of their tertiary education in their own institution.

Methodology

In attempting to capture the variety of tertiary education providers, Moodie (2012) has identified four categories, as outlined in table 1. We have added various sub-groups on the right of table 1.

While there are still many single-sector providers of either VET or higher education, a growing number of tertiary education providers have been accredited to offer both VET and higher education. As noted in table 1, Moodie has classified these organisations as mixed-sector, dual-sector or cross-sector institutions.

In the current research, following in part Moodie’s classification, the providers of most interest were those that fell into the mixed-sector institutions category, and in the subgroup of VET institutions with some offerings in the higher education sector. This subgroup has not received much research attention to date (an exception is in regard to higher education in TAFEs and by Wheelahan et al. 2009). Dual-sector tertiary institutions that provide higher education in their VET division were not our major focus as they have the required higher education arrangements in place in their
institutions. Rather, we investigated organisations that, over a long period of time, have been VET providers and have transitioned to the delivery of higher education qualifications.

### Table 1  Categories of tertiary education institutions in Australia

<table>
<thead>
<tr>
<th>Category and definition</th>
<th>Subgroups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-sector institutions (with 97% or more of student load enrolled in one sector)</td>
<td>VET providers or higher education providers</td>
</tr>
<tr>
<td>Cross-sector institutions (have some load in both VET and higher education)</td>
<td>Institutions which may be single or mixed-sector but cannot be distinguished because of limitations in the current data</td>
</tr>
<tr>
<td>Mixed-sector institutions (with at least 3% but no more than 20% of their load enrolled in the minority sector)</td>
<td>VET providers with some offerings in higher education – and higher education providers with some offerings in VET</td>
</tr>
<tr>
<td>Dual-sector institutions (offer a substantial proportion of their load in each sector and at least 20% but less than 80% in each sector)</td>
<td>Provide higher education in the higher education division (most common) and provide higher education within their VET division</td>
</tr>
</tbody>
</table>

Source: Adapted from Moodie (2012).

### Case study method

We developed six case studies (see support document) of VET organisations that have made, and continue to make, the transition to offering higher education qualifications in their own right. The key factors in selecting these organisations were: differences in a mix of public and private VET providers; the different lengths of time the provider has delivered associate and bachelor degrees; a mix of fields of study in which the associate and bachelor degrees are being delivered; and a range of jurisdictions in which the VET provider operates. This diversity allowed us to determine what effect, if any, these and other features might have on the success of providers in the transition to offering higher education qualifications. The diversity of cases also enhanced the generalisability of our findings.

However, we accept that this small sample of cases is not fully representative of such providers, and as such our findings and best practice guidelines are open to future research. More detail on the sampling strategy to determine the choice of the six organisations is provided in the support document.

Each case study involved the completion of interviews with key staff, with an examination of organisational data, reports, web materials and other archival data. Interviewees included senior leaders in the organisations responsible for setting strategy and direction, managers of the higher education curriculum development and accreditation process and teachers delivering the various associate and bachelor degree qualifications. Interviews were conducted face to face or by telephone. These 23 semi-structured interviews (including discussions about validation of the cases) ranged in length from 45 to 60 minutes. The interview guide is provided in appendix A.

The six organisations for case study were: Canberra Institute of Technology, Holmesglen Institute, Polytechnic West, Tabor Adelaide, TAFE SA and Think Education Group. Overall, we achieved a good level of diversity in the sample of organisations, especially by size, public and private, jurisdiction and diversity of qualifications (see table 2).

However, there are two points of note about the six cases with respect to the scale of higher education activity and the fields of study of their higher education. While we sought to find mixed-sector category institutions, following Moodie’s (2012) classification framework, there was some divergence in the final sample. Indeed, Holmesglen Institute is the only provider that fits into the mixed-sector category, with at least 3% but no more than 20% of its total student load enrolled in the...
minority sector of higher education. The other three public providers have less than 3% of their total student load enrolled in higher education, while the two private providers have more than 20% of their total student load in higher education. That said, the case study providers are all subject to similar market pressures, policy environments and operational issues, meaning that the applicability of our research questions remained. Indeed, the greater diversity in the scale of higher education activity enhanced the study by allowing greater insights into the VET—higher education balancing act. Regarding the fields of study in which the sample providers deliver higher education, they are mixed but not as varied as expected. This is in part because of the niche market approach they each adopt.

<table>
<thead>
<tr>
<th>VET provider</th>
<th>Registered higher education provider since</th>
<th>Own right higher education focus: qualifications, fields of study and scale</th>
<th>Type</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canberra Institute of Technology</td>
<td>1998</td>
<td>Bachelor degrees in forensic science; games and virtual worlds; fashion design; and photography. Associate degrees in science and engineering are not to be continued. Less than 3% of total student load of almost 23 000 students in 2013.</td>
<td>Public</td>
<td>ACT</td>
</tr>
<tr>
<td>Holmesglen Institute</td>
<td>2005</td>
<td>Bachelor degrees in art and design; building and construction; business and finance; education and languages; fitness and wellbeing; information technology; health and social science, tourism and hospitality. About 4% of total student load, and its 50 000 student course enrolments in 2011.</td>
<td>Public</td>
<td>Vic.</td>
</tr>
<tr>
<td>Polytechnic West</td>
<td>2007</td>
<td>Associate degrees in aviation; hospitality management; fashion business management; business management; and information technology. (Also two higher education diplomas in information technology). Less than 3% of total student load of 30 000 students and 326 higher education students in 2013.</td>
<td>Public</td>
<td>WA</td>
</tr>
<tr>
<td>Tabor Adelaide</td>
<td>1992</td>
<td>Bachelor degrees in arts (creative writing, English, history, music, TESOL, education); social sciences (counselling and youth work) and theology. Also graduate certificates, masters and PhDs. Has substantial proportions of both higher education and VET among its approximately 1000 students in total.</td>
<td>Private</td>
<td>SA</td>
</tr>
<tr>
<td>TAFESA</td>
<td>1997</td>
<td>Associate degree in electronic engineering; bachelor degrees in performing arts, dance and business management (hospitality, tourism and recreation) are moving to contracted delivery arrangements. Less than 3% of total student load, with 384 students receiving higher education in their own right in 2012–13.</td>
<td>Public</td>
<td>SA</td>
</tr>
<tr>
<td>Think: Education Group</td>
<td>2005–06 (with some component colleges having a longer history)</td>
<td>Associate and bachelor degrees in business and hospitality; and design, health and wellbeing. Also graduate certificates, masters and PhDs. Has substantial proportions of both higher education and VET within its total student load of 10 000 students approximately in 2013.</td>
<td>Private</td>
<td>NSW Vic. Qld</td>
</tr>
</tbody>
</table>

Report structure

A brief summary of the major findings from the literature review are presented in the next chapter (see also Callan & Bowman 2013 for a longer review of the literature published by the National Centre for Vocational Education Research [NCVER] as an occasional paper).

The third chapter provides a short summary of the findings for each case study, organised according to the three research questions (for a detailed report on each case, see the support document).

In the final chapter we present the identified best practices for VET providers that are currently delivering or are intending to deliver associate and bachelor degrees in their own right. We also offer some final comments in this chapter, including our views on future developments and their implications.
Issues for VET providers delivering associate and bachelor degrees

In this section we give a brief review of some of the key reforms that have led to the diversification of provider types in tertiary education, and in doing so we provide the broad context for the six case studies (also see Callan & Bowman 2013). We then discuss briefly some of the key issues influencing the decisions by public and private VET providers to deliver associate and bachelor degrees in their own right.

Reforms and diversification of provider types in tertiary education

Reforms in VET

The case providers approached to be involved in this NCVER project have in most instances been delivering VET for decades. They have been subject to a series of reforms from the late 1980s aimed at creating a national VET system, but VET remains under the control of each state and territory. As explained by Noonan (2013), the national ‘VET settlement’ was created by increasing the role of the Commonwealth Government in education, which secured agreement by the states and territories to national reform in exchange for additional Commonwealth funding. The VET settlement has involved the overlay of a national training framework via the ‘the training reform agenda’, which commenced in the late 1980s. This agenda has continued until the present, as reflected in a series of decisions by the Ministerial Councils responsible for vocational education and training and by the Council of Australian Governments (COAG).

In brief, the national training reform agenda has involved the introduction of a national training framework made up of:

- national standards for recognised VET qualifications and courses, which are developed by industry skills councils on behalf of industry. The focus is on the competencies required by industry in their workforces and which are articulated in the performance standards in national training packages
- national standards for provider registration to maintain consistent quality in VET provision. Until recently these were state-regulated. In 2011 a national regulator was created to improve provider registration and provider compliance with Australian Quality Training Framework (AQTF) standards. This regulator, the Australian Skills Quality Authority (ASQA), is using new standards for registering VET providers and accrediting courses.

The national training reform agenda has also involved a continuous move towards a more competitive national training market, with greater contestability for funding and greater choice by users of the system. These developments have led to strong growth in VET provider numbers, to the point where there are over 4000 registered VET providers, which are all competing for the available VET funds and looking for additional market opportunities, such as the delivery of higher education qualifications.

Reforms in higher education and towards an integrated tertiary education sector

In 2008 the Commonwealth Government established a review panel to examine and report on the future direction of the higher education sector and its fitness for purpose in meeting the needs of the Australian community and Australian economy. While its focus was on the future directions of the higher education sector, the Review of Australian Higher Education, commonly referred to as the
Bradley Review (2008), like others before it, also investigated the relationship between the higher education and VET sectors.

The Bradley Review was, and remains, a watershed in policy regarding the nature of Australia’s tertiary sector. It concluded that, while the higher education system has great strengths, it faces significant emerging threats, which require decisive action. The actions recommended were driven by the common vision held by all those consulted: we must create an outstanding, internationally competitive tertiary education system to meet Australia’s future needs. Further, we must act now if we are to remain competitive with those countries that have already undertaken significant reform and investment (Bradley et al. 2008, p.ix).

The Bradley Review made 46 recommendations directed towards the development of higher education and a more integrated tertiary education sector, the aim being to ensure the growth required for a more qualified workforce. The recommendations in the Bradley Review particularly relevant to the present study include:

- the setting of national targets to reach agreement on where we need to be
- the strengthening of the links between VET and higher education
- funding reform and incentives towards increasing competition
- the development of a new regulatory paradigm to assure quality in a demand-driven funding regime.

**Targets for a more skilled Australian workforce**

The Bradley Review made two recommendations regarding targets:

- Recommendation 2: That the Australian Government set a national target of at least 40% of 25 to 34-year-olds having attained a qualification at bachelor level or above by 2020.
- Recommendation 4: That the Australian Government set a national target that, by 2020, 20% of higher education enrolments at undergraduate level are people from low socioeconomic status background.

Australian governments have since set targets at the diploma to bachelor degree levels to drive entry into paraprofessional and professional jobs. In 2008 the Council of Australian Governments set a target for vocational education and training: by 2020, the number of people holding diploma and advanced diploma qualifications should double (Council of Australian Governments 2008). The Australian Government set targets for higher education: by 2025, the percentage of Australians 25 to 34 years of age with a degree will be 40%, up from 32%; and by 2020, 20% of students in universities will be from low socioeconomic backgrounds, up from 15% in 2007 (Department of Education, Employment and Workplace Relations 2010).

Policy-makers argue that meeting the VET targets will aid the achievement of the higher education target, holding the view that some people will use VET diplomas as a stepping stone into higher education bachelor degrees, as has been the case in the past.

**Strategies for strengthening the links between VET and higher education**

As additional measures to assist the development of a more integrated tertiary education sector, the Bradley Review suggested strengthening the Australian Qualifications Framework (AQF) and establishing a single ministerial council with responsibility for all tertiary education and training. The Australian Qualifications Framework has since been strengthened and, notably, when it was published
(July 2011) the AQF Council referred to it as the ‘Australian Qualifications Framework First Edition’ rather than the fifth edition of the AQF Handbook, which might have been expected. As aptly explained by Smith (2013, p.26):

The naming of the AQF 2011 as a first edition signalled an ontological break from the previous versions of the AQF, as did the visual presentation of the ten-level AQF taxonomy in a circular diagram in which no distinction is made between educational sectors in comparison to the representation of the AQF as three sector specific components as before. In this way the AQF is presented as an integrated qualifications policy, in line with the Bradley Review recommendations for the creation of a ‘broader tertiary education sector’, and an integrated relationship between higher education and vocational education and training.

However, in the new strategic Australian Qualifications Framework, there are still VET-accredited and delivered diplomas and advanced diplomas, and higher education-accredited diplomas and advanced diplomas. The diploma and advanced diploma are crossover or dual-sector qualifications that sit respectively at level 5 and level 6 of the AQF (Australian Qualifications Framework Council 2013). Both VET providers and universities can offer their diplomas as a stepping stone into higher education bachelor degree qualifications.

In addition, at AQF level 6 is the associate degree, endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) in 2003 as a new higher education qualification and strategy towards achieving the targets at the bachelor degree level (AQF level 7). Many observers have suggested that the associate degree is in competition with the diplomas and advanced diplomas of both sectors. Karmel and Lu (2012) have shown that associate degrees are actually the better proposition for students wanting to articulate into a bachelor degree. They are given more credit in a degree program than is the case for the VET advanced diploma, while the advanced diploma is attractive for a student seeking a two-year qualification for immediate entry into the labour market and is a substantially cheaper option than an associate degree.

The overall point is that there are still qualifications at the diploma to bachelor degree levels that are bound by sectoral constraints at the level of governance that requires VET institutions to become registered higher education providers in order to provide associate and other degrees. The Bradley Review recommendation to establish a single ministerial council with responsibility for all tertiary education and training has not been implemented.

**Funding reform and incentives towards increasing competition**

The Bradley Review recommended funding reforms in higher education. These included a package of reforms to the student income support system; the introduction of a demand-driven entitlement system for domestic higher education students, in which recognised providers are free to enrol as many eligible students as they wish in eligible higher education courses and receive the corresponding government subsidies for those students; and this demand-driven entitlement system for domestic students ‘apply initially only to public universities’ (Table A providers under the Higher Education Support Act 2003), but be extended to other approved providers when new regulatory arrangements are in place.

Reforms to the higher education student income support system had in fact already commenced. In 2005, the Australian Government passed the Higher Education Support Act, which extended loan support to the non-university higher education sector. The government-sponsored income-contingent loans (FEE-HELP) for students acted as a stimulus for growth in non-university providers by providing a means for their students to defer payment to these providers for full fee-for-service higher education
courses. This initiative led to considerable change in the size and composition of the Australian non-university higher education sector after two decades of relatively little change (Ryan & Associates 2012). From 2005 to 2011, 54 of the total 132 currently registered non-university higher education providers (41%) were approved. The majority of these new entrants to the higher education sector were private entities (78%). The second largest group comprised government instrumentalities (15%), predominantly government-owned TAFE colleges, especially in Victoria, which have transitioned to the higher education sector. In the same period, 58 previously approved institutions left the sector, mostly through failing to achieve re-registration or through amalgamation.

It was not until 2012 that the Australian Government introduced the demand-driven entitlement system for domestic higher education students, recommended by the Bradley Review to promote greater student choice and more institutional flexibility. However, only public universities and a few non-university higher education providers were able to compete for Commonwealth-funded places on the basis of student numbers. The extension of Commonwealth Supported Places (CSPs) to all non-university higher education providers, as recommended by the Bradley Review, had yet to occur at the end of 2013, when these six case studies were undertaken.

New paradigm to assure quality in a demand driven funding regime

The Bradley Review made two notable recommendations regarding higher education regulation. First, the Australian Government should establish by 2010, after consultation with the states and territories, a national regulatory body to be responsible for accrediting and re-accrediting all providers of higher education and accrediting their courses where the provider is not authorised to do so. The body was also tasked with conducting regular quality audits of higher education providers; providing advice on quality, effectiveness and efficiency; and registering and auditing providers for the purposes of the Education Services for Overseas Students (ESOS) Act 2000. Second, it was recommended that the Australian Government adopt a framework for higher education accreditation, quality assurance and regulation.

The Tertiary Education Quality Standards Agency took over as the independent national regulatory authority for higher education from the end of January 2012, and is using new standards and approaches. The agency works alongside the VET national regulator, the Australian Skills Quality Authority, which is also using new standards for registering VET providers and accrediting courses. As mentioned before, an independent national regulatory body responsible for regulating all types of tertiary education has not been formed.

Issues arising for VET providers delivering degrees in their own right

These have been categorised as strategic, capability and operational issues (see Callan & Bowman 2013 for a more detailed review of what follows).

Strategic issues

We identified five possible reasons why VET providers have transitioned into higher education in their own right.
To maintain or expand provision given greater competition

As already explained, competition in the tertiary education sector is growing. The position of VET providers is being challenged from above and also from below. There is evidence that some universities are encroaching from above on the position of VET institutions. Some have extended into VET provision in their own right as registered training organisations (Wheelahan et al. 2012). Others have started to increase delivery of their higher education diplomas and advanced diplomas after decades of diminishing enrolments in these qualifications (Moodie & Fredman 2013). The latter may be linked to the apparent hollowing-out of labour market opportunities for VET diplomas and advanced diplomas (Wheelahan et al. 2012). This development may be motivating some VET providers into the delivery of higher education associate degrees and for the credit advantages of these degrees into bachelor degrees over VET diplomas.

In addition, the position of many VET institutes, and TAFEs in particular, is being challenged from below by the expansion of VET in Schools, much of which can be offered by schools rather than VET institutes. For example, in Queensland and New South Wales most schools deliver VET in Schools directly as registered training organisations, whereas in Western Australia, VET in Schools is offered mainly by traditional VET providers. Partnerships are also common across jurisdictions where schools work with providers such as TAFE institutes to deliver training programs (Nguyen 2010).

To build on the special strengths of the institution

For some VET providers, moving into higher education is a natural extension of the special strengths of individual institutes (see Canberra Institute of Technology 2008). Higher education programs that combine professionally recognised qualifications with real-work skills provide graduates who are work-ready and in demand by employers. The provision of higher education by these VET providers is a cost-effective means of leveraging off their VET resources (people, equipment, existing pathways) and existing strong industry partnerships to develop niche markets that are aligned with existing strengths and reputations (for example, fashion, forensics, computer gaming, building and construction).

To encourage more people to take up higher education

Another key motive for VET providers transitioning into higher education in their own right is to increase the numbers of higher-level VET graduates who take up higher education. They point to their student-focused and applied pedagogies, which suit these learners, and to their considerable reputation for access and equity. These organisations argue that they can contribute to meeting the higher education access and equity target, even though the Australian Government currently has only charged universities with this task. However, the current reality is that few students from disadvantaged backgrounds are enrolled in higher-level VET (Wheelahan 2009; see also Gale et al. 2013).

To take advantage of government funding

Some reports suggest that VET providers are moving into higher education in their own right to take advantage of government funding opportunities. Certainly, non-university providers have benefited considerably since the introduction in 2005 of Commonwealth Government-sponsored income-contingent loans (FEE-HELP) for all students in higher education, where the provider is registered for FEE-HELP, as outlined earlier. However, higher education students in VET organisations pay more for their courses as generally they are full-fee courses. Under the Australian Government’s Higher Education Support Act 2003, only Australian public universities have access to Commonwealth Supported Places and in some circumstances, some Australian private universities. Other private providers (OPPs), which include both public and private VET providers of higher education, do not
have access to Commonwealth Supported Places. Exceptions can be where the course of an OPP is linked directly to current national priorities, or where the institution has research grants linked to national priorities. Two cases where this has occurred are Tabor Adelaide for some of its bachelors in education; and Holmesglen Institute for some of its bachelors in education and nursing.

To achieve better public profile and status

Any educational institution is focused on its points of difference or competitive advantage. They can achieve this in many ways, including by the development of specific strategies associated with their branding, marketing and related promotions that highlight quality, flexibility, status and other factors. Marron (2013) mentions the issue of status in his reflections on the stalled merger between the University of Canberra and the Canberra Institute of Technology. While not a major motivation for the proposed merger in that instance, it is possible that some TAFE institutions and private VET providers move into the delivery of associate and degree qualifications due to status factors and to develop further distinctiveness. Indeed, the implicit assumption itself needs to be explored: that being associated with higher-level qualifications brings more status and public recognition to a VET organisation and its employees.

Capability issues

Teacher capability

Higher education teaching staff have different criteria from those required by VET sector staff. To teach in higher education, staff must have a degree one above the level being taught and keep abreast of scholarly activity in their discipline. In VET, teaching staff are required to have a Certificate IV in Teaching and Assessment as a minimum and to be abreast of trends in workplace practices in the relevant industries. These different criteria are related to differences in pedagogy. The pedagogy of VET training is more focused on the development of practical skills, while the focus for higher education is more on the development of critical thinking, independent study and skills in critical analysis (Hammer & Green 2011; Gunn, Hearne & Sibthorpe 2011). Also, VET organisations are accustomed to competency-based non-graded assessment, while higher education is knowledge-focused and assessments are graded. These and related issues have led to concerns over whether VET staff can deliver higher education successfully.

Student capability

The differences between VET and higher education in teaching and learning approaches and assessment similarly need to be taken into account from the student perspective (Gunn, Hearne & Sibthorpe 2011). In White’s (2014) NCVER report, information literacy was a frequently cited reason for attrition from university among VET students. VET students transitioning to higher education identified the challenges associated with understanding assessment, bringing information together to prepare the assessment assignment, and adhering to the writing style and referencing required. Students reported higher expectations in the university sector about these issues.

Significantly, in analyses undertaken in their case studies of successful credit transfer and cross-institutional partnerships, Phillips KPA (2006) found that institutions with more effective credit transfer arrangements had specific strategies in place to ensure that students were adequately supported during their transition from VET-to-higher education studies.
Operational issues

Regulatory processes and arrangements

VET providers must be a registered training organisation (RTO) to compete for public and mostly state funds for VET provision. Also VET providers who operate in the higher education sector in their own right must be registered higher education providers (HEP) if they want access to FEE-HELP for their students and have their higher education courses accredited by the higher education regulatory agency. In recent times, changes have occurred, from a state-based to a national approach, in both VET and higher education regulatory arrangements. In vocational education this occurred in 2011 with the creation of the Australian Skills Quality Authority, which is using new standards for registering VET providers and accrediting courses. In higher education, as mentioned earlier, the Tertiary Education Quality Standards Agency took over as the independent national regulatory authority from the end of January 2012, and also is using new standards and approaches.

The burden associated with the demands of responding to two substantially different but overlapping regulatory systems for those providers that operate in both the VET and higher education sectors is now being recognised. For instance, TEQSA and ASQA signed a memorandum of understanding (MOU) in December 2011 with the goal of establishing a streamlined and coordinated whole-of-provider approach to the regulation of multi-sector providers. However, Dow and Braithwaite (2013) note that the MOU appears to have had little practical impact for these providers. Further, they conclude that higher education regulation as performed by the Tertiary Education Quality Standards Agency during its early existence has incurred unnecessarily high negative impacts, especially for small-scale higher education providers.

Administrative arrangements

There are numerous administrative issues that need to be considered in offering VET as opposed to higher education qualifications (Phillips KPA 2006). These include the different practices associated with timetabling, reporting requirements, length and structures of study periods and study modules, course approval processes, student categories, methods of calculating student load, and the timing of assessment and reporting. In one analysis (University of Ballarat & Swinburne University of Technology 2010), a major barrier noted was the language and terminology used by VET and higher education teachers to describe themselves and their programs. Importantly, these differences could be a key source of misunderstanding with regulators, especially when they are not familiar with the different environments that influence how a VET organisation is structured and operates.

Industrial issues

There are different industrial relations agreements in place in universities, TAFE institutes and private training organisations, which can influence their ability to secure appropriate teaching staff. Oliver (2013) notes that the university and TAFE sectors do share many similarities: both are relatively highly unionised, with growing levels of casualisation of staff, and well-developed workforce structures and practices embedded into various awards and enterprise agreements. However, the flexibility that universities currently have to employ teaching-focused academics is a potential source of competitive advantage over TAFE institutes in attracting degree-level students on a cost basis.

Oliver also notes that private training organisations are advantaged in having low levels of unionisation, less regulation and more flexibility in how they can employ their staff to take up new opportunities in a changing training market. On this issue, Simons (2013) suggests that, rather than compete, the preferred strategy is a model of workforce development that improves the capabilities
of the teaching workforces in both the VET and higher education sectors to achieve a more effective and high-performing tertiary sector.

Costs of delivery
Wheelahan et al. (2012) provide an interesting examination of the 90 institutions delivering various combinations of VET and higher education qualifications. They conclude that it is difficult to understand how institutions can increase the richness of their teaching and learning in a small and minority sector without spending a very large amount of money. The key challenge is to build economies of scale to ensure that provision is large enough to be profitable, but this strategy takes time and good execution.

Moreover, as Brown (2013) warns, a fully market-driven model may further reduce the ability of current VET providers to deliver a full range of education services. She points to the high costs of delivering specialty programs. In addition, the unrestrained entry of new players into the tertiary sector might further fragment a system already under pressure, whereas restricting the selection of new entrants to highly regulated and well-managed operators might enhance the system in significant ways.

Summary
The transition by VET providers to the delivery of higher education associate and bachelor degrees raises a number of strategic and operational issues, as well as questions relating to their capability to deliver these higher education qualifications successfully. The case studies that follow allowed a more detailed investigation of the role of the three broad sets of factors — strategic, support and operational — and in doing so the project aims to fill gaps in the existing research base. Furthermore, as practical examples of how institutions are making the transition, the cases allow the identification of best practices.
Findings from the case studies

Strategic drivers for VET providers

Research question 1 was: Why are VET providers moving to deliver associate and bachelor degrees in their own right when traditionally these qualifications are higher education sector qualifications? The case studies provide a mix of reasons. We also examine the current issues impacting upon their continued positioning as higher education providers in their own right.

Canberra Institute of Technology

Strategically, this institution has positioned itself as the premier provider of vocational education in the ACT. The Canberra Institute of Technology (CIT) commenced offering higher education qualifications in its own right between 1998 and 1999. The focus then and now has been on niche markets aligned to core capabilities and where there are no dominating competing institutions. Linked to this positioning is that CIT builds upon its ability to develop applied programs and on its existing industry partnerships. It offers practical industry-relevant higher education qualifications, where more professionally qualified staff are required to develop the capacity of the industry. CIT’s higher education programs are designed to offer field-based degrees that involve a strong exposure to industry practitioners as teachers alongside CIT staff. In addition, it is believed by senior management that CIT’s positioning in degree programs, and at the prestige end of the VET market, has provided ripple effects for other qualifications. For example, higher education degrees have attracted more master’s- and PhD-qualified staff as teachers to CIT, and raised the institution’s profile in relation to scholarship and research.

There has been strong support from CIT senior management for this approach: they see little value in replicating degrees offered by local universities. In addition, at the time of seeking approval for their degree qualifications, the then higher education accreditation agency for the CIT, the ACT Registration Council, only permitted the institute to provide higher education qualifications in areas not already dominated by competing institutions, especially ACT-based universities. Photography was the initial bachelor degree offered by CIT, followed by forensic science, games and virtual worlds, and fashion.

VET advanced diploma qualifications have remained a major focus of CIT’s strategy, to keep costs to the students as low as possible. Fees have been set to achieve cost recovery. The degrees have been structured such that advanced diploma qualifications are nested in the first two years of most degree qualifications. For example, until recently in forensic science (crime scene examination), bachelor students initially enrolled in the advanced diploma were paying VET fees. They moved in their final year to the bachelor degree, which was subject to higher tuition fees, outside the VET fee schedule, but for which FEE-HELP was available for the final year in the degree. The nested strategy has worked well, enabling students to access lower fee structures. This design also means that students for personal (for example, fee costs) or employment reasons (for example, offered a full-time job in their chosen industry) can choose to exit a degree early with an advanced diploma qualification.

Notwithstanding, Canberra Institute of Technology is currently reducing its level of engagement in the higher education sector in its own right. CIT is seeking re-accreditation, post 2013, for only two of its degree programs, in forensic science and games and virtual worlds. As to be detailed later under operational issues, the costs of accreditation, the financial viability of running small classes and articulation issues feature in the decisions by CIT to discontinue delivery in its own right of some of its higher education programs.
TAFE SA

TAFE SA is the premier provider of VET in its home jurisdiction, South Australia. It has a long history of higher education provision in its own right, in small amounts. TAFE SA offers higher education qualifications in highly targeted and niche markets in instances where the organisation has expertise, existing infrastructure and industry support for more applied higher education qualifications. The move by TAFE SA to deliver higher education qualifications initially emerged in relation to performing arts, where an applied bachelor degree met industry needs. There was no competitor delivering this qualification in South Australia. As TAFE SA had the expertise and state-of-the-art facilities, it decided to fill the gap and create pathways to higher education for VET performing arts students. Its first higher education qualification was the Bachelor in Dance Performance in 1998–99. Other qualifications in areas where its VET record was strong were added to the scope of TAFE SA’s higher education registration. They included the Bachelor of Business, Hospitality Management, Tourism Management and Recreation Management in 2000; Bachelor of Visual Arts and Design in 2001; and an Associate Degree in Electronic Engineering in 2010.

TAFE SA pursues the following set of interrelated VET-to-higher education strategies:

- articulation and credit transfer arrangements between TAFE SA diplomas and university bachelor degrees. The aim is to increase the numbers of higher education offers for TAFE SA diploma graduates, while the negotiation of these arrangement in some cases leads to the development of dual VET and higher education qualifications
- contracted higher education delivery for universities, which enhances the higher education knowledge and expertise of TAFE SA staff to deliver in their own right
- provision of higher education delivery in their own right in niche markets where TAFE SA has a competitive edge.

However, like Canberra Institute of Technology, recent developments have led to a re-think by TAFE SA about the viability of its higher education provision in its own right in all cases. Higher education delivery has come under pressure, due in large part to funding changes and the loss of the historical state government funding to subsidise its higher education qualifications with the introduction of the SA VET policy Skills for All. The only alternative funding option currently available is a full fee-for-service arrangement, as already applies for all other VET providers that deliver higher education in their own right. TAFE SA has been approved to offer FEE-HELP from 2013 to enable its higher education students to defer their fees using this income-contingent loan.

Notwithstanding, the cost to TAFE SA students of a full-fee cost-recovery higher education qualification is considered to be too high to attract students in the arts areas, when compared with the student contribution rate that universities can offer students through receiving Commonwealth Supported Places. Due to this situation, TAFE SA is moving to deliver these qualifications or parts thereof through contracted delivery arrangements with universities and/or new dual VET and higher education study pathways with universities. TAFE SA plans to continue with one higher education offering in its own right, the Associate Degree in Electronic Engineering, in the near future, but with some uncertainty about whether engineering students will embrace the full fee-for-service funding arrangement from 2015.

Holmesglen Institute

Holmesglen Institute, in Victoria, is another major public provider of vocational education that has moved into higher education in its own right. Its drivers are to provide higher education qualifications
that benefit students and their industries and which provide access to higher education for students who may not otherwise have entered a university degree program. Again, it has identified areas of strengths in its VET programs and created innovative higher education bachelor and postgraduate degrees (as well as VET diplomas and certificates). Similar to other cases, it aims to combine theory with industry experience and practical skills in its higher education qualifications.

Holmesglen began to offer applied higher education bachelor and postgraduate degree programs in its own right from 2005, but has considerably more experience in higher education than this period implies. The institute had been a contracted deliverer of components of higher education courses for Charles Sturt and Deakin universities for about two decades. The major trigger for Holmesglen becoming a higher education provider in its own right was a change in Victorian legislation in 2003 which enabled TAFE institutes to develop and deliver higher education programs. Holmesglen took this opportunity with the strategic intention of positioning the organisation in a highly competitive marketplace as an applied tertiary education provider. The institute was rebranded with the new logo of 'vocational and higher education' in 2008. The higher education programs currently include over 25 bachelor programs, with the scale of bachelor degree provision by Holmesglen reaching 4% of its total 50 000 course enrolments in 2011. Holmesglen has not entered into higher education associate degrees. Its current strategy is to focus on VET advanced diplomas to provide pathways to higher education bachelor degrees for graduates from higher-level VET qualifications.

**Polytechnic West**

Polytechnic West, formerly Swan TAFE, is a major provider of VET courses in its home jurisdiction of Western Australia. In the early 2000s, the then Managing Director of Swan TAFE observed developments in TAFE institutes in eastern states. Looking especially at Victoria, the Managing Director noted that Swan TAFE was facing a similar set of circumstances to TAFEs elsewhere. Swan TAFE was under pressure in the training sector, and funding arrangements were becoming increasingly competitive. The WA Government was encouraging TAFE colleges to increase the percentage of their revenues gained from commercial and fee-for-service activities. Also, the feedback from the marketplace was that the higher-level VET courses provided by TAFEs at the diploma level in some areas were not producing graduates with the mix of knowledge and skills required by industry and paraprofessional occupations.

Responding to these drivers, Swan TAFE investigated the higher education sector as a way to broaden its product and market base. The then higher education and VET regulatory body for Western Australia was supportive of the business case for associate degrees but with certain caveats. These included that the associate degrees: were to be positioned in areas of institute specialisation and strength; provided applied qualifications with a mix of practical skills and knowledge developed with and valued by employers who offer paraprofessional jobs; were not in competition with existing VET offerings; and provided strong articulation arrangements from VET diploma products and into higher education bachelor degrees of specific universities.

Swan TAFE became a registered higher education provider in 2007 and instigated a name change to Polytechnic West in 2009. By 2013, Polytechnic West was offering ten associate degrees (and two higher education diplomas), based on its institutional strengths. However, there has been a recent shift to a consolidation strategy in relation to Polytechnic West's associate degrees, at least in the short term. Western Australia is introducing a new VET entitlement model in 2014 and in it many diploma level courses are not categorised as priority programs. Consequently, their associated student fees are to be increased significantly, but with enrolled students having access to income-contingent
loans through VET FEE-HELP. A number of VET diploma courses have been feeder courses into Polytechnic West’s associate degree courses, with students gaining credit for their VET diplomas. The institute is currently investigating the potential impact of these higher VET diploma fees on future enrolments in associate degrees.

Think: Education Group

Think: Education Group provides over 45 industry-leading qualifications from diploma to degree level to more than 10 000 students across campuses in New South Wales, Victoria and Queensland. It has grown rapidly through acquisition, with established businesses with different histories, cultures and systems being successfully brought together, and represents a combined history of over 180 years. Many of its colleges have a common heritage in the VET sector, having assisted industries to create higher levels of skills and qualifications as the world of work has changed. Think’s higher education focus emerged from about 2005–06, with higher education seen as a further opportunity to improve student employability, increase the qualification level within traditionally vocationally qualified industries and develop new student markets.

In terms of strategy, Think makes strong use of internships, industry placements, on-campus clinics and incubator pods to develop graduates who are technically skilled in their discipline area, socially aware and, in turn, highly employable. Furthermore, it has points of difference, with small flexible classes, online delivery and the use of a three-semester system to accelerate program completion. As well, the delivery of VET diploma and advanced diploma qualifications at its various colleges offers major pathway opportunities for students to progress from VET to higher education qualifications in the same field. There is a nesting of qualifications where appropriate, including across various higher education diplomas and associate degrees. Think: Education supports the associate degree qualification as part of a strategy to provide clearly defined pathways for students.

As a private provider operating in highly competitive training and education markets the growth in both VET and higher education programs is concerned with building revenue. The organisation believes the education and training markets need more diversity to meet employer needs. Think owners and its senior leadership assert that they will continue to take up new opportunities as they arise, responding to changes in student markets, greater calls for more flexible forms of study, the breakdown of geographical boundaries, and changes to government policy and visa requirements. More recently, as evidence of the success of Think’s strategic planning and execution to date, Think was awarded higher education Provider of the Year by the Australian Council for Private Education and Training (ACPET) from its 2012 Awards for Excellence. Think has achieved this accolade after navigating a challenging period of reinvestment, change management and turnaround after the Global Financial Crisis, with a return to profit in 2013.

Tabor Adelaide

Tabor Adelaide, the other private provider in the case study sample, delivers both VET and higher education programs to a community of approximately 1000 students. Tabor Adelaide commenced operations in 1979 as a small Pentecostal Bible and ministry training centre, and has broadened its profile over time. Today, Tabor Adelaide offers government-accredited qualifications, from vocational certificates, to a research doctorate in a range of disciplines that include theology, ministry, intercultural studies, education, counselling and youth work. The college is constantly rebalancing its higher education offerings with its VET offerings in response to the challenges of working in a highly competitive and changing VET and higher education environment. Currently, Tabor Adelaide describes and positions itself as a multi-denominational, dual-sector Christian tertiary institution. Like the other
case study providers, Tabor Adelaide offers full fee-for-service higher education, with the exception of its Bachelor of Education students, for which it has some Commonwealth Supported Places, along with a FEE-HELP option for students.

As the majority of students pay to complete VET and higher education courses at Tabor Adelaide, the college relies on a number of points of difference to attract its students. A core point of difference is its Christian perspective, which has a definite appeal to a specific target group of students. Its teaching is underpinned by Christian beliefs, while the explicit multi-denominational focus of Tabor Adelaide promotes a strong focus upon community and faith and their implications for practice. Another point of difference is that the VET and higher education programs can be studied on campus or online. As most of its higher education students need to fund their study, part-time work is encouraged to assist with the funding of their programs. The flexibility of the college’s program, by offering on-campus, online, evening and intensive deliveries, supports the students’ work requirements. Many of the VET programs provide credit into various VET and degree programs at Tabor Adelaide, other registered training organisations, universities or other higher education providers.

In common with many organisations, Tabor Adelaide suffered financially during the Global Financial Crisis, and the period of recovery has resulted in some key strategic decisions. These decisions aim to set the foundations for creating more diversity in its student body, and more diversity in revenue. Its VET programs are gaining renewed attention, even though higher education programs are currently the dominant source of revenue.

**Summary: Research question 1**

To varying degrees, these cases reveal support for all of the drivers identified earlier to explain why some VET providers are moving to deliver higher education qualifications in their own right. Across the cases, the core point of difference or distinctiveness was to deliver applied degrees that fill gaps in the current market, where there is a labour demand for extended vocational development to the professional level, and to provide effective pathways for graduates from higher-level VET qualifications. Other points of competitive advantage included providing higher education qualifications with great flexibility (for example, Tabor Adelaide), access to student placements with potential employers (for example, CIT and Think), and small classes with often personalised support for students (for example, Holmesglen). To varying degrees, these institutions provide access to higher education for VET students who may not otherwise have entered a university degree program, but who may not fall into an equity group.

There was no evidence that the organisations were passive or accidental players in the higher education market. Rather they generally look to complement rather than compete with other higher education providers, especially universities, and rely on special points of difference to attract higher education students who pay full fees (except in a few cases). Furthermore, some governments or agencies in their jurisdictions have been active players in shaping some of these strategies. For example, higher education qualifications would only be supported where they were not in competition with local universities (for example, CIT) or with existing VET offerings in the organisation (for example, Polytechnic West).
Building capability in staff and students

Canberra Institute of Technology

CIT has been very active in building staff capability to a position where today there are numerous master’s- and PhD-qualified staff who deliver their higher education programs. For CIT teachers delivering higher education programs, the enterprise agreement provides full- and part-time staff with a reduction in teaching of 15% per annum where a teacher agrees to undertake appropriate scholarly activities and/or participate with university partners in scholarship programs. Higher education teaching staff at CIT are also encouraged to undertake consulting to build upon their skills and expertise.

Regarding the building of student capability, CIT emphasises to potential and current students that its higher education programs are challenging. In the forensic science degree there is a high level of pure science, while the games and virtual worlds’ degree has at its core an advanced computing and programming qualification. In response to supporting its higher education students, CIT provides small classes, learner support through the library, extra tutorial support in chemistry, mathematics and related areas, and provides literacy and numeracy programs across all of its programs. CIT teachers have also redesigned some of the higher education qualifications to promote the applied orientation of the qualifications, as a balance to the academic rigour.

TAFE SA

At TAFE SA, as with the other cases, the issues associated with the development of higher education teacher capability have evolved over time. It has now modified the TAFE-oriented conditions for these higher education teachers, providing more time for assessment than VET teachers. Higher education teachers are required to maintain scholarship or engage with the latest discipline knowledge and practices. TAFE SA has set up sufficiently strong relationships with the three local universities to be admitted to the Higher Education Research Group of Adelaide (HERGA), which offers TAFE SA staff attendance at seminars, the ability to publish and to complete other ongoing academic learning opportunities.

In relation to building student capability, higher education students in TAFE SA experience small class sizes and good access to teachers, while additional learning services allow students to feel more connected and better supported than in a university setting. In 2012, the overall satisfaction rates for TAFE SA higher education graduates were better than the result for all Australian higher education providers participating in the Australasian Survey of Student Engagement (AUSSE) (Guscott 2012, 2013). Its retention rates are higher than those of the universities in foundation studies, with the good results for students undertaking higher education attributed to the support provided by TAFE SA.

Holmesglen Institute

Holmesglen higher education staff are integrated with VET staff in the operations of the faculties, and supported by staff located in a Higher Education Support Unit (HESU). This unit has been instrumental in progressively educating staff across the institute about higher education at Holmesglen, especially issues of quality assurance, the expectations relating to scholarship and the dissemination of good practice. Staff involved in the institute’s higher education activities have wide access to professional development opportunities, including conference attendance, and are able to access financial support and study leave for higher degree studies, including master’s and doctoral degree study. This access to professional development extends to sessional staff.
Regarding scholarship, Holmesglen is seeking to develop a scholarly culture, one that values the critical role that research activity plays in the formation of knowledge. Examples of good practice in the more applied approaches to teaching and learning that have been developed include the simulated learning approaches in the nursing and early childhood education degrees, while the problem-based learning approaches and the use of industry connections provide authentic learning in the Faculty of Building Construction and Architectural Design.

The institute’s goal is to provide access and widen participation in higher education for non-traditional or under-represented students who may not have the opportunity for bachelor degree study. Higher education transition support programs include: the Academic Skills Unit, which assists vocational and higher education students with academic and study skills; the Social Inclusion Program, which assists local and international students to integrate effectively into the Holmesglen and local Melbourne community; and Student Support Services, which provides various kinds of services to maintain the general health and wellbeing of the Holmesglen community and aid reduction of student attrition rates and staff absenteeism.

Polytechnic West

There has been a positive response among VET lecturers to delivering higher education, with many of them already holding the requisite higher education qualifications in their field of study to teach in higher education. Higher education staff are employed under the same industrial award as VET staff, with accommodation made for their different patterns of time usage. Most of the casual lecturers are also employed at universities. As with the other institutions, employing staff with a university background has had positive benefits with respect to scholarship and higher education acculturation, especially as not all of the VET lecturers have higher education experience. A particular early focus of the institution’s professional development activities was the higher education regulatory environment and framework. The aim was to ensure that staff delivering higher education were aware of the AQF level 6 requirements and did not take a competency-based approach to their higher education provision. As with the other case studies, Polytechnic West’s approach to scholarship in the light of its mixed-sector experience is to build a culture of scholarship rather than one of research across all of its areas of higher education teaching.

Polytechnic West’s associate degrees are aimed at students who require or prefer to develop their education through a stepping stone or advanced standing approach to the higher education level. In response, it provides pastoral care to its higher education students, who are mostly first-time university domestic and international students. The existing VET student support services, such as Customer Services, Disability Services, International Services Centre and Library Services, contribute to the ongoing care of the higher education students. Current improvements, as part of Polytechnic West’s continuous improvement strategy, are focused on ensuring individual learning plans for at-risk students, who are closely monitored.

Think: Education Group

The key staff are permanent full-time appointments. As in the other case studies, there is a major use of industry professionals as part-time teachers and sessional staff in both the VET and higher education programs. Many staff have master’s-level qualifications, and some hold PhDs. While teaching positions are being readily filled in the current market, the requirement for master’s-qualified teachers to deliver a bachelor’s degree has been challenging in those qualifications where there is a shortage of suitably qualified people (for example, people holding a master’s in iridology).
Think encourages all staff to focus upon scholarship, and similar to the other case studies (for example, Polytechnic West) there is a broader definition of scholarship than adopted by universities.

The Think workforce has been split according to their experiences with either VET or higher education programs and delivery. Only a few staff at present teach in both the VET and higher education programs. However, from 2014 Think plans to remove this separation, with all staff having to understand more fully both sectors, whether as a teacher, course manager, in support services or in other roles. Think reports that creating these stronger links between VET and higher education will require a shift in the mind-sets of many staff. While there are similarities across VET and higher education in many areas (for example, delivery methodologies), there are notable and understandable differences across the sectors in policies, procedures, quality frameworks, assessment, accreditation, timetabling and preparation time and in concepts such as scholarship.

In relation to student support, Think’s student body includes approximately half who are Australian. Its international students come from over 40 countries. The student body includes young people direct from high school, through to older students across all qualifications. Student support at Think is provided through the Centre for Learning and Academic Skills Support (CLASS). Student support includes dedicated tutors for face-to-face support and a student intervention strategy, with, for example, additional literacy, numeracy and computer skills/online computer skills, English classes and academic writing for higher education assessments. More gifted students are also supported through this program: they are monitored in instances where they choose a more accelerated path of study. In addition, the maximum class size is 30 students to enable close student–teacher interactions.

Tabor Adelaide

At Tabor Adelaide, no teacher in VET courses teaches in higher education programs, while no higher education teacher delivers VET qualifications. The current organisational structure puts VET programs into a separate department, although VET staff are under the same award as higher education lecturers. The majority of full-time higher education teaching staff are in the schools of education or ministry and theology, and are PhD-qualified or enrolled in PhD programs. There is a strong use of part-time faculty and adjuncts to deliver the higher education courses. Tabor Adelaide supports the teaching and research development of its higher education staff. Seminars are conducted and awards in learning and teaching are given.

Teaching is the core focus of higher education staff, not research. However, in many cases this higher education teaching is supported by scholarship, with the research interests of full-time higher education staff listed as topics in religion, theology and history. There is a workload model for higher education staff for research activity, which allocates annual hours for research and annual hours for scholarship. A number of staff publish in scholarly publications, including monographs, peer-reviewed journal articles and occasional papers. Some are engaged in national and international collaborative research programs, while there is a good level of support for attendance at short courses and conferences.

As with the other cases (for example, Think, Polytechnic West, TAFE SA), the college seeks a point of difference, with this being its consistently high levels of student satisfaction. At Tabor Adelaide, the flexibility of study arrangements, the small sizes of its classes and the ability of teaching staff to take a more personal interest in students are attributed as the key factors behind the high levels of overall student satisfaction. The college has a strong culture of community and student support, with various strategies to improve attrition rates. Its Life Design Counselling and Education Centre provides professional counselling services for students.
Summary: Research question 2

All six of the case study providers, except in a few specialist areas, do not report great difficulty in accessing trained and qualified staff to deliver their higher education programs. All make use of a large pool of qualified sessional and casual staff. None of the case study providers has concerns about their capability to design and deliver successful higher education programs. However, they do accept that capability in higher education requires ongoing attention and effort. Each highlighted the challenges associated with defining and providing access to ongoing scholarship, noting that their current interest in scholarship is still emerging and understandably is more related to its usefulness in supporting applied teaching and learning. Their position on scholarship is aligned with the applied and professional nature of their higher education programs.

All have significant student support services in place and indeed are proud of their student-centred approaches and the high levels of satisfaction reported by their students. Across the organisations, student engagement and attrition are issues requiring constant attention, with special actions in place to promote access, participation, completion and employment support (for example, Holmesglen, Polytechnic West). They employ a range of strategies, including the use of their strong partnerships with industry to access student placements and assignments early in the higher education qualifications, to promote the applied value to students of their in-class or online learning. In short, in these institutions there is a culture of capability building for staff and students alike, with ongoing and continuous review and improvements being critical. Linked to this are targets in some instances to outperform the larger universities in placing their higher education graduates in successful employment.

Operational issues
Canberra Institute of Technology

Until recently, CIT was subject to the ACT Registration Council, and under the regulatory guidance of this authority its four degree programs were designed and accredited. However, recent changes in the higher education regulatory environment have moved the responsibility for accreditation of courses to the Tertiary Education Quality Standards Agency. As with other VET institutions offering higher education courses, CIT has had to review its structures and processes to ensure that the institution meets the new higher education standards and regulation of TEQSA. However, some key issues have emerged at CIT under this new regime, including: increased workloads in preparing for and completing the five-year review cycle; shorter timelines for submission; increased requirements associated with data collection and submission; increased fees for renewal of both higher education registration and higher education course accreditation (the costs of re-accreditation of one CIT degree are estimated at about $100,000, equivalent to nine months of commitment by a senior manager); and slower accreditation and re-accreditation processes.

The costs of resourcing, staffing, delivering, marketing and now re-accrediting have led to a recent decision by CIT to discontinue its two degrees in photography and fashion. These are currently small enrolments, and a number of other institutions now offer similar qualifications. In addition, CIT has not sought re-accreditation of its associate degrees. CIT’s associate degrees in science and in engineering articulated directly into ANU degree programs through a partnership arrangement.

However, due to decisions by ANU to alter this partnership, CIT will graduate the existing cohort of students and delay future enrolments. CIT’s new positioning in these fields will be with vocational graduate certificates, as they are judged to be easier for accreditation in CIT. Currently CIT is seeking
Lessons from VET providers delivering degrees

re-accreditation for only two of its degree programs, in forensic science, and games and virtual worlds. It plans to grow the competitiveness of these higher education programs through cross-sectoral linkages with ACT universities and private providers, and in particular through the strong industry relationships associated with each degree.

TAFE SA

Since 2008 TAFE SA has had a comprehensive higher education governance structure which continues to support its delivery of higher education qualifications. The development and embedding of this higher education governance structure and approach was in part undertaken to enable TAFE SA to prepare for the implementation of the National Protocols and National Guidelines for Higher Education Approval Processes (as approved by Ministerial Council on Education, Employment, Training and Youth Affairs in October 2007) in South Australia. Then, further changes in the higher education regulatory environment were announced with the Tertiary Education Quality Standards Agency at the end of January 2012. The key differences under TEQSA include: a greater reliance on submitted policy documentation and evidence for approval assessment; increased time and cost in data collection/submission requirements; and increased fees for renewal of both higher education registration and higher education course accreditation. Despite these developments, TAFE SA has decided to maintain its higher education registration, given its investment to date. However, it plans to meet only the minimum requirement of one accredited higher education course to maintain its higher education provider status.

Holmesglen Institute

Holmesglen’s previous experience as a contracted deliverer of components of higher education courses for universities meant that its staff had a clear idea of what was involved in establishing a higher education portfolio in its own right. As of 2012, Holmesglen’s higher education governance arrangements have involved the Holmesglen Board, which provides the strategic direction and resources for the development and delivery of higher education programs at Holmesglen; the Higher Education Academic Committee, which provides guidance on governance and quality assurance and monitors the provision of higher education programs; and the Higher Education Support Unit, which provides the staff and skills to guide the faculties and their teams through the various stages of higher education course development and course accreditation. Under its new Chief Executive, Holmesglen is restructuring its higher education governance arrangements and will include the establishment of a Dean of Higher Education and Strategic Partnership, among whose duties will be responsibility for identifying new opportunities for Holmesglen in the higher education sector.

As with the other cases (for example, CIT, TAFE SA, Polytechnic West), higher education programs are appropriately researched to ensure congruence with the institute’s strategic direction. The key steps include a feasibility study undertaken to determine course outcomes, including the pedagogical framework to achieve the outcomes, professional and/or industry recognition, and a rationale against the Australian Qualifications Framework. To further maximise opportunities for students, graduate pathways and articulation arrangements are incorporated into the design process. As with the other cases, there has been a considerable extra cost under TEQSA. Holmesglen has detailed these financial and related costs to the Review of Higher Education Regulation (Dow & Braithwaite 2013). Holmesglen is proactive in advocating for the extension of Commonwealth Supported Places for domestic higher education students and their advocacy has been facilitated by TAFE Directors Australia (2013a, 2013b, 2013c), including with policy and position papers.
Polytechnic West

When Polytechnic West entered higher education in 2007, the regulator was the WA State Department of Education Services (DES). Five years later, with the move to TEQSA, a prolonged accreditation period of up to 18 months arose for Polytechnic West. TEQSA inherited some 65 outstanding registration and accreditation matters to finalise in accord with the new higher education Threshold Standards set out in the TEQSA Act (Dow & Braithwaite 2013). By the time TEQSA came to consider Polytechnic West’s outstanding course renewal accreditation documents, some were out of date and consequently required renewal activity. In addition, some information was not presented in the way TEQSA required. Consequently, the costs of higher education course development and accreditation were higher, and in some cases no delivery occurred, as alternative VET courses had become available in the meantime. As these alternative VET programs provided similar graduate outcomes to some associate degree courses, Polytechnic West decided to withdraw from the re-accreditation process for some of the higher education courses.

This experience has led Polytechnic West to focus on review and consolidation of the business case for all of its existing associate degrees. All higher education courses are run as fee-for-service, so all costs in developing, accrediting, marketing, delivering and reporting on the courses, as well as in maintaining higher education registration, have to be recouped through fees. Maintaining a critical mass of student enrolments is key to any higher education qualification remaining financially viable. While the institution believes that current tuition fees for its associate degree courses are competitive, any future growth in associate degrees will only occur where a sound business case is established.

Think: Education Group

As with the other providers, governance issues are paramount to Think to enable the organisation to operate successfully in the highly regulated VET and higher education sectors. Think has an independent academic board, and quality assurance and continuous improvement of the courses are ‘top of the mind’ at Think. At the same time, due to its growth through various amalgamations, Think is still developing the best alignment across its colleges for its learning and teaching policies and functions.

As reported in the other case studies, maintaining accreditation across both the VET and higher education sectors is a major cost. Some 35 qualifications have been successfully accredited in the last 18 months with TEQSA. In common with the other cases, Think manages this costly, complex and time-consuming process by developing curricula in house, undertaking curricula/assessment mapping exercises against student learning outcomes, benchmarking against competitors and other institutions, using working parties with internal and some external members and consultants (for example, course adviser committees), and allowing six to 12 months for preparation of the submissions to TEQSA. One TEQSA submission for the re-accreditation of five degrees was a document of over 5000 pages. In response, Think has decided not to renew some higher education qualifications.

Tabor Adelaide

As with the other cases, Tabor has a well-established governance structure. The Coursework Quality Assurance Committee and Research Quality Assurance Committee provide internal oversight and monitor academic standards, and they report to academic staff and to the Academic Board on such matters. Despite these existing arrangements, the college is moving to adopt a more formal framework of processes and quality assurance as it transitions to the next phase of its development.
As a small non-self-accrediting institution, the costs are high for higher education accreditation. Tabor reports an internal estimate of some 12–18 months of staff time working on the recent TEQSA submission, and a cash amount estimated at about $250 000. Their past experience with the Australian Universities Quality Agency was that it provided a quality-improvement approach, whereby the institute was seen to be a partner in the process. However, in the recent TEQSA experience Tabor Adelaide found that many questions were unclear, and that TEQSA was not very helpful in trying to understand the contextual and operational demands on Tabor. At the centre of these issues was a set of reporting requirements written for a large public university rather than for a small higher education provider.

Summary: Research question 3

There are similar operational challenges across these organisations that have transitioned to offering higher education qualifications. The challenges include the costs of accreditation of their higher education degree courses and for higher education provider registration, balanced against the revenue and continued viability of higher education courses in which the vast majority of students pay full fees. As VET providers of higher education in their own right, these organisations do not receive Commonwealth funding for their higher education students, although students often receive FEE-HELP.

Our cases reveal strong and evolving governance structures that support the development and delivery of their higher education qualifications. Initially, different operational arrangements for higher education were often managed as exceptions to VET arrangements. Supporting units, governance structures, policies and procedures have become more differentiated over time, with the formation of a higher education support leader and unit being a key development for this differentiation. While these organisations are fully aware of the requirements and demands for higher education course development and accreditation, the governance and regulatory environment has changed considerably with the arrival of the Tertiary Education Quality Standards Agency. Reporting to TEQSA in relation to its current expectations has been costly. In response to this and other factors (for example, viability of small classes, changes in state VET funding policy), some organisations have reduced the delivery of higher education qualifications in their own right (for example, TAFE SA, Polytechnic West), while others will continue to deliver these qualifications but in partnerships with universities or other providers (for example, CIT).
Conclusions

Best practice guides

One purpose in preparing the six case studies was to formulate some ideas on best practice as a potential guide to VET providers that have made or are considering making similar transitions into higher education. Some of these ideas follow. Readers will find more details and perhaps further ideas by reading the case studies in full (see the support document).

Be strategic

Success will be linked to the supply of higher education degrees to the niche markets in which VET providers have existing and special strengths. In particular, these successful VET and higher education providers are delivering the applied field-based qualifications required by industries that wish to raise professional standards. The cases confirm that industry needs to be involved from the beginning in the strategic planning and implementation: from the development of the business plan, to offering industry experts the opportunity to assist in the design and delivery of higher education courses, to providing student placements and industry projects, the latter which enhance the employability of graduating students. Importantly, as these cases reveal, strategic choices and positioning are constantly reviewed, with organisations being active agents in revising and seeking new strategies as markets and policy frameworks change.

A core feature of any good strategy is identifying points of difference and existing capability. Traditional VET organisations come into higher education with considerable experience in designing flexibility into delivery and assessment (for example, work-based assessment, e-assessment, e-portfolios); in establishing effective articulation and credit transfer arrangements; in the use of industry experts and student placements with industry (for example, to complete work-based projects and to seek jobs upon completion); and in how to engage and support students from more disadvantaged backgrounds. As a guide, table 3 presents the good practice characteristics identified in the Holmesglen Institute’s higher education courses.

Table 3 Characteristics of a Holmesglen higher education course

- designed and delivered using applied learning and student-centred principles, including project-based learning, case-based learning or problem-based learning approaches
- identifies clear professional outcomes, delivers career alignment, develops work-ready graduates
- includes industry-focused content to a breadth and depth appropriate for a higher education qualification
- benchmarked against similar courses in higher education
- exposes students to current discipline, relevant scholarship and theoretical underpinning
- embeds scholarly activity and encourages learner autonomy
- demonstrates progression of learning towards AQF outcomes by the completion of the course
- provides articulation and credit for VET qualifications into higher education programs and articulation pathways to higher-level qualifications
- open to a rigorous review and maintenance process incorporating both internal and external moderation and review.

Develop the business case

The case studies emphasise that a strong business case must exist for any new higher education qualification. Evidence from these cases points to the benefits of: the potential to increase revenue; leveraging off the organisational experience and capability from delivering VET programs for the same
or similar industries; and roll-on effects to other qualifications and the brand through the inclusion of higher education, to name a few. However, in establishing a new higher education qualification there are costs and risks: in setting up governance structures; in accreditation and re-accreditation processes; in managing a fee-for-service regime; and in providing the additional supports (for example, tutorials, one-on-one support, monitoring of student progress) that will be needed to assist students to maximise completion rates. At present, any business case must assume that higher education courses will be run as fee-for-service, with costs in developing, accrediting, marketing, delivering, reporting and in maintaining higher education registration to be recouped through fees.

As a guide, Polytechnic West prescribes the following features in its business case. The higher education qualifications must be: positioned in areas of institute specialisation and strength; provide applied qualifications that deliver practical skills and knowledge developed with and valued by those employers who offer paraprofessional jobs; the higher education qualification is not in competition with existing VET offerings; and the qualification provides articulation arrangements from VET diplomas and into higher education bachelor degrees of specific universities.

Work up to delivering higher education in your own right

Experiences through partnerships with universities or other arrangements develop the higher education knowledge and capability of staff. A number of the cases (for example, Holmesglen; TAFE SA) demonstrate the value of adopting a step-by-step approach, building organisational and staff capability along the way in a number of important areas to support the final transition to higher education delivery. The cases also reveal strong but also evolving governance structures, which support the development and delivery of higher education qualifications. Best practice involves the establishment of operational arrangements for higher education different from those for VET, initially as exceptions to the VET arrangements. Supporting units, governance structures, policies and procedures become more differentiated over time, with evidence that the formation of a higher education support leader and unit is a major milestone.

Figure 1 presents the pathway followed by TAFE SA to delivery in its own right. In particular, contracted higher education delivery develops staff who are better prepared for higher education programs. The cases reveal over time that staff can develop ideas and strategies relating to the delivery of a higher education portfolio in their institution, including the points of leverage that will support the transition (for example, Holmesglen).

Figure 1  Continuum of higher education engagement strategies adopted by TAFE SA

Develop appropriate academic governance arrangements

As noted above, initially, different operational arrangements for higher education have often been managed as exceptions to VET arrangements. Early on, external higher education experts are often included in governance arrangements to add a depth of understanding on higher education issues.
Promote scholarship

VET providers need to develop an appropriate model for scholarship to underpin higher education provision and add value more generally to teaching and learning in their institution. This can be done through leveraging established partnerships with local universities and other VET organisations offering higher education in their own right to provide access to opportunities for scholarship and professional development for their higher education staff. Those in higher education need access to ongoing scholarship, and accessing relationships and opportunities in existing partnerships is an obvious strategy. Strong relationships with local universities allow staff to access the professional development opportunities of universities (for example, CIT) or promote the establishment of innovative higher education forums (for example, Higher Education Research Group, which provides TAFE SA staff access to scholarship and development opportunities). In addition, there are opportunities to establish and use special-interest forums or collegiate groups with partners (for example, Holmesglen) and more broadly to work with bodies like TAFE Directors Australia and the Australian Council for Private Education and Training to establish such forums.

Provide additional student support

Across the cases, student engagement and attrition were issues that required constant management. Numerous support strategies were used to assist students to adapt to the different features of higher education courses. These support strategies are in addition to those already in place to support VET students. Key practices are the provision of smaller classes with easy access to their higher education lecturers, as well as extra tutorial support, and literacy and numeracy and computer skills support programs across various higher education programs.

In addition, the case study organisations illustrate the value of individual learning plans for at-risk students (for example, Polytechnic West); the redesign of some higher education qualifications to promote the more applied orientation of the qualifications as a balance to the academic focus (for example, CIT); the use of multiple mechanisms to test student readiness for higher education study (Holmesglen); and support for more gifted students, who are monitored in instances where they choose a more accelerated path of higher education study (for example, Think). In short, these best practices involve establishing distinctive student-centric cultures, which allow providers to compete against much larger universities in these very competitive higher education markets.

Adopt continuous improvement

VET providers need to expect higher education operations to evolve over time with experience. They also need to accept that capability in higher education requires ongoing attention and effort and can only be built over time and by adopting a continuous improvement approach.

Concluding remarks

Education and training markets are very susceptible to economic uncertainty, high levels of competition and changes in government policy. With continued economic uncertainty, rises and falls in international student numbers and the demands of a new higher education regulator, the plans of a number of the case organisations to increase their higher education programs have lost their momentum.

These providers have few concerns about their ability to design and deliver successful higher education programs. All accept that capability in higher education requires ongoing attention and effort and, linked to this, professional development and access to ongoing scholarship are required.
However, these cases reveal that the governance and regulatory environment has changed considerably with the arrival of TEQSA, and has been costly.

It is hoped that TEQSA’s reform agenda to improve its regulatory framework will help to restore some of this momentum and encourage our case study VET providers to again increase the number of their higher education programs. This reform is in response to the direction by the Minister for Education in October 2013 to apply ‘a regulatory and quality enhancement philosophy and deliberate action to remove red tape’, which is an outcome of the Review of Higher Education Regulation by Dow and Braithwaite (2013). In addition, it would also be useful if TEQSA and ASQA acted on their memorandum of understanding of December 2011 to establish a streamlined and coordinated whole-of-provider approach to the regulation of multi-sector providers to further remove red tape.

Another factor for sustained growth is the extension of Commonwealth Supported Places for domestic higher education students to all providers that meet higher education accreditation standards. Currently, providers like those in these case studies are operating in a full-fee-recovery model. While they have identified major points of difference to attract higher education students away from universities in particular, the cost of fees is a major barrier to growth for these VET providers of higher education who do not receive Commonwealth funding for their higher education students.

When access to Commonwealth Supported Places would be available was still open to debate when we interviewed the case organisations. However, just as this report was being finalised, a report on a review of the higher education demand-driven funding model was released, which recommended extending the system to cover sub-bachelor qualifications, such as diplomas and associate degrees, and broadening it to encompass private universities and non-university higher education providers (Kemp & Norton 2014). It may be sooner rather than later that a key barrier to VET providers delivering higher education qualifications in their own right is removed and funding conditions become more favourable.
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Appendix A: Interview guide for the case studies

This project is investigating the strategic, capability and operational issues that need to be considered in planning the uptake and successful delivery of higher education qualifications within VET providers. Interviewees will have the opportunity to address all or some of the interview guide questions, according to their knowledge and experience base.

Section 1: Strategic Issues

1. Why has your VET organisation become involved in delivering associate degree and bachelor degree qualifications that traditionally are higher education qualifications — Briefly tell us the history, the business case and time commenced and steps taken?

2. What are your views on recorded drivers of VET provider strategy around these qualifications including to:
   2.1. Maintain/expand provision overall and given greater competition in lower level VET?
   2.2. Compete with private providers that are offering associate and bachelor degrees?
   2.3. Encourage more people from equity groups to take up higher education?
   2.4. Gain status, to bring more attention to the organisation?
   2.5. Provide an alternative to university style higher education?
   2.6. Build on special strengths of the institution?
   2.7. Cash in on government loan support (FEE Help)?

3. Tell us about what associate and bachelor degree qualifications have been and currently are being delivered; for what target markets and why (re learner groups and industries) and with what take up rates? (Can we get data on this and from whom?)

4. What marketing/communication/related strategies are you using to grow enrolments in these qualifications? Is the identity of your organisation shifting as a result?

5. Tell us about your strategic thinking around your organisation’s future purpose and directions in this area
   5.1. Is your organisation planning to deliver additional associate and bachelor degrees in future and why?
   5.2. Does your organisation expect to continue to deliver the traditional VET diplomas that are around the same level educationally and why?

6. For us to learn more about your organisation’s strategic thinking and motivations for deciding to deliver associate degree and degree qualifications
   6.1. What organisational reports and data do you have that we can review?
   6.2. Who else should we interview?

Section 2: Operational issues

There are different curriculum frameworks, quality assurance and other regulations and funding, reporting arrangements required to move into higher education degree qualifications to those in place for VET provision.

7. What have been the major operational challenges for your VET organisation in making the shift to delivering associate degree and bachelor degree qualifications?
   7.1. What has your organisation done to overcome the challenges?

8. How has the organisation gone about developing curriculum for associate and bachelor degree qualifications and seeking its accreditation in the higher education sector?
8.1. Who has undertaken this task?
8.2. Have there been any issues?
8.3. What have been the costs and how have these been covered?

9. How easy or hard has it been for the organisation to meet the standards or criteria required to achieve higher education provider status?
9.1. What are the main differences to the standards or criteria for becoming a registered training organisation?

10. How do you fund the cost of preparation for and delivery of higher education degree qualifications?
10.1. Do your students have access to government loan support Fee help?
10.2. Is the cost of delivering higher education degree qualifications an issue for your organisation?

11. What impact, if any, has the different operational arrangements in higher education had on your organisation? What institutional processes are in place (or should be in place) to produce quality outcomes for learners, and for industry?

12. For us to learn more about your organisation’s operational arrangements and any associated issues regarding delivering associate degree and degree qualifications —
12.1. What reports and data do you have that we can review?
12.2. Who else should we interview?

Section 3: Capability building issues

13. Where do you source your staff from to deliver your higher education degrees?
13.1. Are your higher education qualifications delivered in isolation to your VET qualifications or do the same people deliver both?
13.2. Are there any barriers to VET staff delivering higher education degrees — attitudinal, industrial relations, credentials-wise and so on? How are you overcoming these barriers?

14. Are there any barriers to learners taking up higher education degrees in your organisation — attitudinal, preparedness and so on?

15. What types and levels of support do you provide to learners entering into your higher education degrees?
15.1. Is it different to that offered to learners in VET qualification programs?
15.2. Going forward, what other support might be considered to assist learners in higher education degrees to successfully complete them?

16. For us to learn more about your organisation’s teacher and student capability building approach regarding delivering associate degree and degree qualifications —
16.1. What reports and data do you have that we can review?
16.2. Who else should we interview?

Section 4: Concluding Remarks

17. Are there any final comments you would like to make about factors that aid success/act as barriers to VET providers moving to delivering associate and bachelor degrees successfully?

Thank you for your contribution to this study.
NVETR Program funding

The National Vocational Education and Training Research (NVETR) Program is coordinated and managed by NCVER on behalf of the Australian Government and state and territory governments. Funding is provided through the Department of Education and Training.

The NVETR Program is based on national research priorities and aims to improve policy and practice in the VET sector. The research effort itself is collaborative and requires strong relationships with the research community in Australia’s universities and beyond. NCVER may also involve various stakeholders, including state and territory governments, industry and practitioners, to inform the commissioned research, and use a variety of mechanisms such as project roundtables and forums.

Research grants are awarded to organisations through a competitive process, in which NCVER does not participate. To ensure the quality and relevance of the research, projects are selected using an independent and transparent process and research reports are peer-reviewed.

From 2012 some of the NVETR Program funding was made available for research and policy advice to National Senior Officials of the then Standing Council for Tertiary Education, Skills and Employment (SCOTESE) Principal Committees. They were responsible for determining suitable and relevant research projects aligned to the immediate priority needs in support of the national VET reform agenda.

For further information about the program go to the NCVER Portal <http://www.ncver.edu.au>.