Scoping study to inform the Review of the Higher Education Provider Category Standards

Dr Gwilym Croucher
Professor Leo Goedegebuure
Professor Richard James
Asma Ahsan

LH Martin Institute and
Melbourne Centre for the Study of Higher Education
University of Melbourne, August 2018

1

Disclaimer
This scoping study does not necessarily reflect the views of the Australian Government.

This document must be attributed as the *Scoping study to inform the Review of the Higher Education Provider Category Standards*.

1. Preamble

In line with the specified terms of reference for the project, this study scopes issues and considerations to inform the review of the Provider Category Standards (PCS), with a particular focus on building system quality, diversity, flexibility and 'future proofing'.

A taxonomy of issues and considerations is developed which are mapped against stakeholders' perceptions and perceived needs. This mapping establishes a framework for prioritising analysis of the issues and considerations. The scoping study identifies a number of technical and other issues, ranging from administrative burden of duplication of requirements, to progression pathways and the time it takes to transition from one category to another, to broader issues about the role of the PCS in the future in supporting system innovation and diversity.

Based on this analysis, it proposes a sequence to any modification to the PCS flowing from the review. A review could be undertaken in two phases. The first phase would review technical issues and inconsistencies with the current PCS. The second phase would review the future role of the PCS in relation to system architecture.

31 August 2018

2. Introduction

Post-secondary education institutions worldwide are facing an interrelated set of pressures driving system change and requiring adaptation. Economic globalisation, the transition from industrial to knowledge-based economies, and the rapid evolution of information and communication technologies, including the advent of micro-credentials and the rapidly changing world of work, are now affecting core aspects of higher education organisations and their operations. This turbulent environment has significant implications for how higher education providers are regulated in their local jurisdictions, of which one aspect is how different higher education systems categorise their providers. As higher education provision rapidly evolves around the world, there is a need for examination of the utility and flexibility of the current schema for categorisation, especially where it is part of the regulatory and governance architecture.

In Australia the provider category standards (PCS) were established in 2011 and share much with the 1995 National Protocols for Higher Education Approval Processes as their antecedent. Since their introduction, they have at times been criticised for being too restrictive. As a core element of the Australian higher education architecture, it has been considered timely to assess whether the PCS are demonstrably effective. This includes questions over whether or not they are having unintended impacts on the operation and behaviour of current and potential providers, are providing the necessary transparency on provider activity, and are having reputational and other impacts, including whether they are enhancing or restricting system flexibility, as well as institutional innovation and diversity. In preparation of the actual review of the PCS to be undertaken over the coming months, a scoping study has been commissioned to set the stage for the review.

The scoping study is aimed at identifying key issues and considerations regarding the current operation of the PCS, mapping these against the needs of stakeholders for which they are especially relevant. To achieve this, the scoping study employs a multidimensional approach, combining current research on the categorisation of higher education providers and evidence from a scan of international practices, with data from a targeted round of consultation. Consultations were conducted with selected stakeholders including industry peak bodies, regulators and higher education provider representative organisations using a common set of questions (see Appendix 10.2). The responses from the consultation process and insights from the international scan and literature review were used to establish a framework for the analysis of the key issues and considerations pertaining to the upcoming review of the PCS. Based on these, suggestions are provided to the HESP for a possible methodology for the review and its potential outcomes (see Appendix 10.1 for the methodology of this scoping paper).

2.1. The current Provider Category Standards

This section briefly outlines the current Provider Category Standards. In Australia the Higher Education Standards Framework (HESF) regulates the use of "university" as denominator for a higher education institution and sets out the expectations for providers across six categories:

- Australian University
- Australian University of Specialisation
- Australian University College
- Overseas University
- Overseas University of Specialisation
- Higher Education Provider

The title of university is restricted to providers who offer self-accredited Australian higher education awards at undergraduate and postgraduate level, and demonstrate commitment to scholarship and community engagement, good practices in teaching and adherence to quality assurance standards.

Institutions within the "Australian University" category must be comprehensive, offering higher education awards within at a least three broad fields of study, as well as conducting research within these fields. Institutions registered under the "Australian University of Specialisation" category must fulfil the same requirements as universities, but only need to offer awards and conduct research within one or two broad fields. "Australian University College" is a provisional category for institutions with realistic plans to meet the criteria of the "Australian University" or "Australian University of Specialisation" category within five years. The "Overseas University" and "Overseas University of Specialisation" categories refer to universities registered overseas and offering overseas higher education awards within Australia. They are expected to be registered overseas and meet the equivalent criteria of the Australian categories in their home countries (acceptable to TEQSA).

In 2018 there were 40 institutions registered as "Australian Universities", including the 37 public universities, two private not-for-profit universities (Bond University and University of Notre Dame) and Torrens University Australia. Torrens University is a for-profit university, part of Laureate International Universities and owned by Laureate Education. It enrolled its first students in 2014 and as of 2018 has over 5,000 students. The University of Divinity is the only institution registered under the "Australian University of Specialisation" category, having met the requirements in 2012 and subsequently changing its name from the Melbourne College of Divinity. Currently there are no institutions registered within the "Australian University College" category. Two foreign university branches (Carnegie Mellon University and University College London, although the latter no longer has a dedicated campus in Australia) are registered under the "Overseas University" category. There are no institutions registered under the "Overseas University of Specialisation" category.

The "Higher Education Provider" category is for institutions (Australian or overseas) offering at least one accredited higher education award in Australia. Higher Education Providers must meet the Threshold Standards for registration, course accreditation, and qualification standards. These institutions are generally not self-accrediting and do not need to be engaged in research within their fields of teaching, but are expected to support free intellectual inquiry, scholarship within their teaching areas and engage with advanced knowledge and inquiry. As of 2017 there were 133 institutions registered under the "Higher Education Provider" category (or 127 institutions if one excludes institutions registered multiple times across different states and territories). These non-university providers of higher education include public and private providers, as well as for-profit colleges owned by public universities.

2.2. The label "university"

The label "university" has common origins in the Latin word *universitas* and evolved in Europe from the Middle Ages to have a meaning more recognisable in the present day. Despite the European antecedence of the word university, academies in many countries, such as in China, were similar institutions to the early universities. They focused on the transmission of knowledge and the training of various classes of knowledge workers, such as priests. In England the universities were also long finishing schools for children of the aristocratic class. By the nineteenth century the term started to take on many of its modern connotations, not least through the influence of people like Cardinal Newman and his *The Idea of the University* from 1852 (Newman, 1852). The contemporary notion of a university owes much to the Humboldtian idea of the university, which helped build German universities into institutions that stressed the creation of knowledge alongside its transmission.

The label 'university' is currently used in different countries in similar but often distinct ways. Although the generation and transmission of knowledge is common to the concept, this is interpreted differently depending on local context. Importantly, it is not always a title given to the premier teaching and research institution, such as ETH Zurich, the Swiss Federal Institute of Technology in Zurich. In particular, the prominence of research varies, and many high quality and well known international universities have relatively modest research programs. In some national systems the leading research institutions are very distinct from the universities, such as Germany's Max Planck and Fraunhofer Institutes. More common but by no means universal is that universities are institutions of doctoral training, especially since the German universities popularised the PhD degree in the late ninetieth century.

Use of the term in the Australian context owes much to the link that the six pre-Second World War universities had to UK universities. Nonetheless, it also has evolved in line with the changing use of the label around the world as it developed over the nineteenth and twentieth century. Research became a more prominent part of the activity of universities from the 1930s in Australia, but it still remained modest until well into the 1950 and 1960s. The first Australian based PhD was not undertaken until the late 1940s at the University of Melbourne, despite by then being common in other countries. When the term university is used in Australia now, it owes much to an identity that was developed in the original state-based universities, that instruction (and research where it occurred) should cover the breadth of the local labour market and industry requirements. Attempts have been made periodically to establish prominent but mission focused universities, such as the short-lived UNSW University of Technology which almost immediately gained a law faculty on founding and then became UNSW. Following several similar attempts to the creation of a technical university at seeking mission focus, institutions have adopted a common model emphasising a comprehensive offering. Now all but a couple of Australian universities have law faculties, and all teach subjects in legal studies.

3. Insights from research on higher education categorisation

This section reviews current research on categorisation in higher education, summarising their rationales, the importance they have in fostering system diversity, the approaches adopted to undertaking categorisation, and the potential risks that categorisation can have in driving unintended consequences for students, institutions and systems.

3.1. Rationales for the categorisation of higher education providers

Categorisation of higher education providers can serve to meet the needs of diverse stakeholders, providing a 'basis of shared understanding' (McCormick, 2000; Ziegele, 2013) and, as in Australia, can be part of the regulatory architecture. Over the last half century higher education in many countries has evolved through increases in the number and variety of non-university, non-traditional or private providers. The ensuing complexity has been at times addressed by developing clear classifications of the type of providers, resulting in an information function that allows for meaningful comparisons between institutions (Ziegele, 2013). Categorisation provides a common language for cataloguing distinct providers of higher education. This is particularly so in the case of the USA where the Carnegie Classification (see further under 4.1) and its categories have become a lexicon in the higher education language. The ongoing impact of the classification is evident. For example, although the top category for doctoral granting universities (R1) was formally removed from the classification for two decades, the higher education community continued to use it as a descriptor. This eventually led the developers to reintroduce it as a measure of research activity (Altbacth,2015; Borden et al, 2018).

Effective classification has been shown to facilitate understanding and strengthening of diversity within higher education systems, which is widely considered by experts to be desirable. Van Vught (2008) highlights several arguments in favour of what Birnbaum (1983) calls external diversity (differences between higher education institutions) and more specifically systemic diversity (differences in type, size and control of institutions within a system). A diverse higher education system better meets the needs of students from a range of educational backgrounds and academic achievement, while also being suited to advancing social mobility by ensuring there are different points of entry into the higher education system. Diversity can increase the overall effectiveness of the system by allowing providers to focus their efforts within a set boundary on their mission – for example, an institution focused on education in a particular discipline area at postgraduate level – while allowing them to innovate. Providers may observe the outcomes of innovation by other providers, without taking the risk of implementing such innovation themselves. To reap full benefits of diversity within a higher education system, a transparency tool is needed to describe it (Van Vught et al, 2010). Conceptually, classifications provide a snapshot of diversity in a higher education system (making it transparent) and by doing so promote diversity and its desired effects (Ziegele, 2013). However, this assumes that the classification tool is sufficiently fine-grained to adequately represent diversity across the full spectrum of higher education providers, as will be discussed in the next section.

3.2. Approaches to categorisation in higher education

A key issue in the development of categorisation is the selection of the approach to classification. Bailey (1994) identifies two approaches: idiographic (*a priori*) and nomothetic (*a posteriori*) (McCormick & Borden, 2017). The *a priori* approach to categorisation involves expert judgement on the formation of categories and, although simpler, may be influenced by long standing perceptions of differences between institutions. A drawback of this approach is that it may be inadequate for identifying new or emerging organizational types (Ruef & Nag, 2015 in Borden et al, 2018). Nomothetic approaches (*a posteriori*) use statistical techniques to group institutions into clusters. A limitation in this approach is that the data set required for

this, by definition consists of common data elements for all institutions, which may lead to oversimplification in the selection of attributes informing categorisation (McCormick, 2013). That said, nomothetic approaches are considered more appropriate for pure research whereas idiographic approaches are more appropriate for an applied setting, (McCormick, 2013) such as regulation. As a regulatory instrument the PCS have an idiographic basis, and so are subject to the limitations this brings in terms of representing genuine diversity and difference in the system.

Higher education classification categories can be used as a regulatory tool by government. Different categories of providers may have different sets of regulations depending upon factors such as risk. This is exemplified by the use of the Register of Higher Education Providers currently being updated under the UK Office for Students (OfS), the new market regulator for higher education in England (see further under 4.2). Each category contained in the Register has a different set of benefits and conditions attached to it. That said, unlike the higher education provider categories in Australia, the two categories "Approved" and "Approved fee cap" in England are not based on the delineating provider activity.

3.3. The risk of categorisation driving positional ranking

Categorisation schemes, whether formally part of regulation or not, can fall prey to becoming inadvertent tools for positional ranking, especially when they are seen to reflect vertical as opposed to horizontal diversity. Vertical diversity refers to differences between institutions in terms of 'prestige, reputation and performance' (Ziegele,2013, p.77) whereas horizontal diversity refers to difference in 'institutional mission, governance and organization culture' (Marginson, 2018, p.1). This problem is compounded by the use of numerics, as in the case of R1, R2 and R3 categories in Carnegie. Critics of the Carnegie Classification argue that the categories have taken on 'the practical meaning of ladder of prestige' (Brewer, Gates, & Goldman, 2004 in Zhao, 2011).

As classification is seen to reflect vertical diversity, it can lead to what has been called 'academic drift' (Neave, 1979) and drive memetic forms of institutional isomorphism (DiMaggio & Powell, 1983; Croucher & Woelert, 2018). Institutions classified in the non-university category may begin to emulate universities and teaching-based universities may begin to emulate research-intensive universities considered to be more prestigious. This trend has long been highlighted in the academic literature (Riesman, 1956; Neave, 1979) and has been evident in the UK and Australia with the eventual demise of the binary divide (Croucher & Woelert ,2016), and in the US through the continued race to attain the R1 classification under the Carnegie classification.

4. International categorisation practices

Different higher education systems worldwide employ distinct schemes for categorising providers, either directly as part of the regulation and governance of the system, such as in Australia and the UK, or as prominent schemes that are widely reported and used by higher education providers, such as the Carnegie Classification in the US. This section sets out some examples of categorisation practices in different jurisdictions.

4.1. USA: Carnegie Classification of Institutions of Higher Education (CCIHE)

The USA has a long history of the use of classification of its higher education system. The Carnegie Classification of Institutions of Higher Education was developed in 1973 to serve as an analytical tool in the research efforts of Carnegie Commission of Higher Education. Over the years the classification has been updated several times (every five years), most recently in 2015 to reflect the changes in of higher education providers in USA (see Appendix 10.3 for a detailed overview). The basic CCIHE categories of higher education providers are 1) Doctoral Universities 2) Masters Colleges and Universities 3) Baccalaureate Colleges 4) Baccalaureate and Associate Colleges 5) Associate's Colleges 6) Special Focus Institutions and 7) Tribal Colleges. Each category is divided into subcategories based on one of the following criteria: level of research activity, program size, disciplinary focus, dominant type of student and transferability.

The CCIHE is primarily a classification tool and does not have any regulatory purpose nor is it intended to reflect the quality of institutions. It is used by *US News and World Report* as the basis for their annual rankings of higher education providers, a highly influential ranking that has long been important to US higher education. Given its relative simplicity and widespread use, it has become the 'basis of shared understanding' (McCormick, 2000) of higher education institutions and their mission in the US. Although several other classifications have been offered, none have been able to supersede the dominance of CCIHE (Borden et al, 2018). Nevertheless, the CCIHE is also struggling to keep pace with the changes taking place across the post-secondary landscape in the USA. This has been one of the reasons to transfer it from the Carnegie Foundation to the Indiana University Center for Postsecondary Research.

4.2. England: Office of Student's Register of Higher Education Providers

Higher Education providers in England had been registered since 2014 with the Higher Education Funding Council (HEFCE) through The Register of Higher Education Providers. The Register served primarily as a regulatory tool, as it not only listed the higher education providers in England but also provided information on the powers these institutions had (for e.g. degree granting powers) and the standards they had to adhere to in order to retain them (HEFCE,2015).

The 2016 *White Paper - Success as a Knowledge Economy* (DBIS, 2016) announced that HEFCE was to be replaced by a single market regulator, the Office for Students (OfS). It also proposed three categories for higher education provider registration within the OfS Register. The first of these was the "Basic" registration category which would only provide official provider recognition from the OfS. The "Approved" category would grant providers access to the student support system without eligibility to apply for grants and no fee cap obligations on student support access. However, this category did allow eligibility to apply for both Tier 4 sponsorship licence (a requirement for a provider to enrol students from outside the European Economic Area) and degree awarding powers/university title. The "Approved Fee Cap" category would allow for the access to public grant funding in return for a fee cap on student support access, eligibility to apply for Tier 4 sponsorship licence and degree awarding powers/university title. Concerns were raised in the UK over the proposal of the basic category which had minimal regulatory requirements, proportionate to financial benefit that the

providers would receive (DfE: 2017). The key criticism against the proposed "basic" category was that it did not require higher education providers to undergo stringent quality and risk tests and still allowed an official status.

The OfS published *Securing Student Success: Regulatory framework for higher education in England* (OfS, 2018a) in February 2018 which describes the new regulatory framework in England. As of April 2018, universities in England can apply for registration in the Office of Students Register as either "Approved' or "Approved (fee cap)". Approved category providers do not have access to public grant funding from OfS or Research England and each has a different set of initial and ongoing conditions for providers to retain their status on the Register (see Appendix 10.4 for a more detailed overview).

4.3. European Union: U-Map and U Multi-rank

In Europe, the categorisation of higher education providers was not a major concern until policies at the supranational EU level resulted in changes to national structures, increasing the complexity of provider missions (Ziegele, 2013). The official rationale for a categorisation of European higher education providers was to enhance transparency and understand fully the diversity of European higher education. U-Map was developed as a transparency tool to map the higher education providers in the EU but without assigning them fixed categories. The developers adopted a nomothetic (a posteriori) approach to classification. The users of the classification can define their own categories based on the elements of the multi-dimensional categorisation (Ziegele, 2013). The six dimensions are: Teaching and Learning, Student Profile, Research Involvement, Regional Engagement, Involvement in Knowledge Exchange and International Orientation. Provider profiles are graphically represented in so-called sunburst charts.

A related project is U Multi-rank which adopts a 'multidimensional, user-driven approach to international ranking of higher education institutions' (U-Multirank, 2018a). It adds on the performance aspect to the U-Map project (Jongbloed & Kaiser, 2011) and allows stakeholders to compare institutional performance in the areas of 1) teaching and learning 2) research 3) knowledge transfer 4) international orientation and 5) regional engagement. Whilst being promoted as a further transparency tool to enhance informed student choice, the underlying motivation for U Multi-rank has been to provide a European alternative to the dominant Anglo-Saxon rankings favouring the English-speaking countries. Originally focusing exclusively on traditional universities U Multi-rank is expanding to include universities of applied science. For further details, see Appendix 10.5.

4.4. China: Project 211, 985 and Double First Class

Higher education providers in China are mainly differentiated by government financial policy (Cai Liu, 2007). The earliest example of this is the 'National Key Universities' status given to six universities in 1954 which received preferential financial treatment (Cai Liu, 2007). Over the years, the number of institutions classified as National Key Universities increased, with nearly a 100 by 1980's. In 1995, the Project 211 was announced which 'aimed at strengthening about 100 institutions of higher education and key disciplinary areas as a national priority for the 21st century' (Yiming, 2011). This was followed by the launch Project 985 in 1998, which was aimed at supporting a few universities which would attain a world-class, research-intensive universities in the near future. This list started with nine higher education institutions but was later expanded to 39.

The two projects increased research capacity and contributed to a rise of Chinese universities in global rankings (Li, 2018). In 2015, a new funding initiative commonly known as the 'Double First Class' Project was announced, replacing Project 211 and Project 985. This is aimed at creating 42 world-class universities by 2050. This Project has two streams 1) World Class

Universities which has a total of 42 institutions 2) World Class Disciplines which has a total of 95 institutions.

Institutions are also differentiated based on academic policies and the most significant of these is the Graduate School Policy (Cai Liu, 2007). Only universities with a large number of graduate students and a diverse range of graduate programs of high quality can gain approval for a Graduate School status which adds further prestige. While many classifications have been offered for Chinese Higher Education Providers, some based on Carnegie criteria (Cai Liu, 2005), none have been applied in practice (Cai Liu, 2007).

4.5. Canada: Ontario's Institutional Differentiation Policy

Unlike Australia and the UK, the Ontario higher education system in Canada has maintained its binary divide which comprises both universities and Colleges of Arts and Applied Technology (CAAT) (established in 1965). Over the years, the CAATs have also begun to offer degrees, blurring the boundaries between the two sectors. In 2013, the Ontario government adopted the *Differentiation Policy Framework for Postsecondary Institutions* (MTCU, 2013). The aim of this policy initiative was to use institutional differentiation as a lever for supporting student success and access, increase global competitiveness, build on existing strengths of institutions and maintaining efficiency and sustainability of the Ontario higher education system.

As part of this initiative, each publicly funded higher education provider signed a Strategic Mandate Agreement (SMA) with the Ontario government detailing the role an institution will play in the higher education system. The following metrics were applied in the first SMA, based on the differentiation framework: 1) Jobs Innovation and Economic Development 2) Teaching and Learning 3) Student Population 4) Research and Graduate Education 5) Program Offerings and 6) Institutional Collaboration to Support Student Mobility. In the first phase the SMA was signed for the years 2014 to 2017.

The second phase of SMA has been signed for the years 2017-2020 and the metrics have been revised. The new metrics categories are 1) student experience 2) innovation in teaching and learning excellence 3) access and equity 4) research excellence an impact and 5) innovation, economic development and community engagement. In the next phase 2020-2023, a new funding model will be applied in the province, with institutions being funded based on their performance on the key metrics in SMA. Earlier in 2018, a consultation was undertaken seeking input from stakeholders on refinement of the SMA metrics and the development of the new funding mechanism linked to SMA targets (MAESD, 2018).

4.6. Germany: From Excellence Initiative to Excellence Strategy

Similar to Canada, Germany too has maintained its binary divide in the higher education sector which emerged with the establishment of *universities of applied sciences* in early 1970's. It now has three types of higher education providers; the traditional *universities (*only universities can confer doctoral awards), the vocationally oriented *universities of applied sciences* and the *colleges of art, film and music.* In Germany, 'there is no binding definition in terms of content' for the three types of higher education providers, as well as 'no material definition of a higher education institution' (Wissenschaftsrat, 2010, p.34). Higher education providers are either state-maintained (receiving public funding by the state), or state-recognized.

In 1976, the Higher Education Framework Act (*Hochschulrahmengesetz -HRG)* was introduced to harmonize the federally structured German higher education system (Huther & Krucken, 2018). The states had powers to legislate on higher education, but within the parameters provided by the HRG (Pritchard, 2006). These powers included the authority to define tasks of different institution types (Teichler, 1996). The HRG had since been revised

several times however, after the establishment of the new federal system in 2006, it was abolished. The federal state now only has the power to make legislation on admissions into higher education institutions and degrees from higher education institutions (KMK, 2015).

The most significant structural reform focused on institutional differentiation without doubt has been the Excellence Initiative (EI), initiated in 2005. The EI is aimed at promoting "top-level research and to improve the quality of German universities and research institutions in general, thus making Germany a more attractive research location, making it more internationally competitive and focussing attention on the outstanding achievements of German universities and the German scientific community." (DFG, 2018a). The program has been a joint initiative of Federal and State governments and is coordinated by the German Research Council (DFG) and the Council of Science and Humanities (WR).

The EI has run in two phases: 2005-2012 and 2012-2017. In Phase 1 proposals were developed during 2006-07 and 85 institutions selected and funded for five years across three program lines: graduate schools to train junior researchers (39), clusters of excellence (universities in co-operation with non-university research institutes) to advance basic research (37), and "institutional strategies" through which "entire universities seek to continue positioning themselves in the international domain" (9) (DFG, 2013, p.15). Federal and State governments provided a budget of 1.9 billion Euro to fund successful projects until the end of 2012. Phase 2 continued this approach from mid-2009 onwards with selection and funding from 2012 onwards. A total of 45 Graduate Schools were selected (33 continuations, 12 new), 43 Clusters of Excellence (31 continued, 12 new) and 11 institutional strategies (6 continued, 5 new) for a total of 2.4 billion Euros up to end 2017.

Following a formal international expert evaluation of the Excellence Initiative in 2016 (the Imboden Commission) the program was continued as the Excellence Strategy with the aim "strengthen Germany's position as an outstanding place for research in the long term and further improve its international competitiveness." (DFG, 2018b). The Excellence Strategy targets two program lines: clusters of excellence and universities of excellence with selection to be completed in 2018 for a 2019 funding start. Total funding is expected to be around 533 million Euro per annum (385 for Clusters and 148 for Universities).

4.7. Netherlands: From Performance Agreements to Quality Agreements

The Netherlands has a binary tertiary education system consisting of research universities and universities of applied science. The research university sector is the smaller of the two, containing 18 universities, including the Open University and four small theological/humanistic universities. The university of applied science (UAS) sector consists of 36 institutions with a more regional and education focus, although over the last ten years their practice-based research function has evolved with a focus on the SME sector.

Following a national stock take report of the strengths and weaknesses of the tertiary sector in 2010, a further strengthening of institutional profiles and increased system diversity was promoted through the introduction of performance agreements across both sectors. The basic principle was that 7 per cent of base public funding (amounting to MEuro 130 for the research universities and MEuro 170 for the UAS sector) was made conditional on achieving an agreed upon set of performance targets. If these targets were not achieved, the government could reduce institutional funding by a discretionary amount of the 7 per cent. Performance agreements were effective for the period 2012-2016 and subject to periodical monitoring and end of program full evaluation. A Review Committee was established for monitoring and evaluation purposes, supplemented by an independent expert evaluation.

The focus for the performance agreements was student success and educational quality, for which a set of indicators was agreed upon. Prominent in these were completion rates and

dropout rates. Intentions and ambitions regarding institutional profiling and further differentiation were stated in more qualitative terms.

> *The Review Committee "concluded that many research universities had achieved substantial success in reducing dropout and increasing completion rates. The average completion rates in universities had risen from 60 to 74 per cent, and dropout rates declined from 17 to 15 per cent. In professional higher education (i.e. the UASs), major efforts had been undertaken to achieve the targets set in the performance agreements; nonetheless, some of the UASs had failed in their attempts to improve completion. The average completion rate in UASs fell from 70 to 67 per cent. However, dropout was pushed back slightly, from 27 to 25.6 per cent" (Jongbloed et al., 2018, 678).*

As a consequence of the outcomes, six UASs were financially penalized, but only to 50 per cent of the maximum penalty to reflect their improvement efforts (Jongbloed et al., 2018). With respect to the objectives of furthering institutional differentiation, the Review Committee concluded that the institutions "had undertaken substantial efforts for institutional profiling in the areas of education, research, and knowledge valorisation, but that their impact was not yet visible in terms of its diversity indicators." (Jongbloed et al., 2018).

The outcomes of the performance agreements policy initiative were by and large confirmed by the independent end of program evaluation. Despite some critique from the institutions relating to bureaucratic overload and intrusion, the public response has been largely positive. Subsequent political discussions, including with the universities and key industry bodies, reinforced the notion that the focus of quality improvements was the cornerstone of the initiative, resulting in an agreement to continue the process, relabelled as "Quality Agreements". These agreements currently are being negotiated.

4.8. Japan

The first universities in Japan were established in between 1868 and 1939 and are often called imperial universities. After the World War II, the university system in Japan was reformed in 1949, moving from a European type to an American type system. Universities were established in every prefecture/state and all national, public and private universities were granted the university status, resulting in the imperial universities losing their special privileged positions as universities (Yonezawa,2007).Meanwhile for those pre-war post-secondary institutions that did not meet minimum government requirements for a university status, a compromise was reached and they were allowed to call themselves 'junior colleges' as opposed to 'senior high schools'. (Kambayashi, 1981). Special training colleges were opened in 1976. At present, there are four types of higher education institutions in Japan: Universities (including those with Graduate Schools), Junior Colleges, Colleges of Technology and specialized training colleges. The institutions can be further categorised as National, Public (prefecture/state) and Private based on their legal status.

The earliest call for an official classification and categorisation of higher education providers in Japan was made in 1971 by an advisory body to the Minister of Education, the Central Council for Education (CCE), which was met with widespread criticism (Kitagawa and Oba, 2010). In 2005, CCE proposed a policy of 'functional differentiation'. Over the years various government reports have proposed official categorization of Japanese institutions, however to date there is no official classification (Murasawa et al., 2014). However, similar to China, Japan has also used a policy of preferential financial treatment to increase competition. For example, the 21st COE (Center of Excellence) programme announced in 2001, aimed at identifying the top 30 universities based on performance and research potential (Kitagawa and Oba, 2010). This program was replaced with the Global COE programme which further concentrated research funding in a smaller number of universities as compared to 21st COE. (Kitagawa and Oba, 2010).

5. Identification of issues with the Provider Category Standards

The scan of research and international practice highlights the importance of careful design for categorisation schemes as they have a significant function in providing information to students and communities, as well as a role in supporting institutional differentiation. These functions can be amplified where higher education providers are classified as part of the regulatory regime. How categorisation is undertaken can play a part in incentivising greater diversity in activity, mission and focus.

In addition to the research on current international practice, targeted consultations were undertaken during July 2018 by the project team that sought to examine the following themes in the Australian context:

- the delineation of universities from non-universities,
    - with reference to the obligation of registered higher education providers to continue to meet the Threshold Standards irrespective of their category,
    - and relating to providers seeking authority to self-accredit a course(s) of study they deliver;
- the relationship of the present categories to other post-secondary education, including vocational educational and training and life-long learning;
- the definition of an Australian University, the weight given to research in this definition, and how it might be refined, including a further emphasis on the role and nature of applied research;
- the possibilities for additional categories of higher education providers or further subdivision of the university categories;
- the specification and utility of the Australia University College category as part of the transition process to being categorised as an Australian University; and
- other possible approaches to the categorisation of higher education providers for regulatory purposes.

Guided by these themes a number of key issues for the PCS can be identified. The following sections set these out, divided into those issues directly related to their operation as regulation, and a broader set of issues identified through the research literature, the scan of international practice and the results of the consultation.

6. Technical issues and inconsistencies

The PCS appear largely effective as a higher education regulatory instrument in the strict sense. There is the perception by stakeholders that they are operating as intended as a core element of the higher education regulation. However, some stakeholders, including TEQSA, have identified specific issues with their current configuration and operation.

6.1. University categories

The PCS means Australia has one of the most detailed definitions of a university as compared to other higher education systems, which is both a strength and weakness of the PCS. It is a particular formulation that in essence delineates universities from other higher education providers by virtue of the research activity that a particular provider must undertake. This does not prohibit other Higher Education Providers undertaking research, but they must still meet the same standards as universities if they do so. Despite the centrality of research to the definition, the HES currently do not provide detailed specifications of its quantity or quality, other than that it "leads to the creation of new knowledge and original creative endeavour at least in those broad fields of study in which Masters Degrees (Research) and Doctoral Degrees (Research) are offered" (HESF, HES B1.2.3). While this definition does not appear to present a problem for established providers, TEQSA have identified this as an important challenge in assessing quality and breadth of research for prospective providers without agreed metrics, principles or processes for guidance to protect the reputation of Australian universities. At root this shows a challenge for the HES and the PCS. On the one hand they need to be specific enough that they can ensure those using the University title are undertaking research that the quality and quantity of which meets the expectations of the national and international academic community. On the other hand, they need to be flexible enough to recognise that over the course of time these expectations will necessarily change.

A related issue is that of the required breadth of educational offerings at a university. The university categories require different scopes of delivery of broad fields for undergraduate and postgraduate courses, as well as higher degrees by research. However, the PCS do not specify what the breadth and quantity of courses or subjects actually need to be. One consultee succinctly noted that on a narrow interpretation, an Australian University could meet the criterion by offering a single undergraduate and postgraduate course in each of three fields. This, as they rightly pointed out, would not meet the expectations of the academic and general communities for the scope of delivery of universities.

Australia's current universities offer a breadth of subjects, so it is unlikely that community expectations are not currently being met in regard to breadth of offerings. However, it is conceivable that a current provider, especially a new one, which was in financial trouble could dramatically reduce its offerings and research activity to meet the minimum required by the category and so fall below a community expectation of their activity. Notwithstanding these caveats, the present definition of an Australian University and Australian University of Specialisation are likely meeting the needs of the current providers in those categories and adequately reflect their activity.

Where the difficulty in assessing the necessary breadth and quality of teaching and research as required by University categories is a more acute issue, is in its role in the provider life cycle, and the progression of a provider becoming a university. The broader issue is whether the PCS are fit for purpose in relation to self-accrediting higher education providers wishing to gain university status as elaborated below.

6.2. Provider progression and the utility of a separate University College category

A central issue with the current scheme of categorisation is around the processes and specifications for provider progression from Registered Training Organisation (RTO) to Higher Education Provider (HEP), or from HEP to Australian University or Australian University of Specialisation. An established HEP that meets the HES can apply for self-accrediting authority through accumulating a history of successful course accreditations, monitoring and reviews, and, once sufficient, apply for a university category. This effectively implies a period of at least 5 years of Self Accrediting Authority (SAA) before applying for the next stage, which is likely to enter the Australian University College category. As a category with fewer requirements than the main universities categories it is framed as a transitionary mechanism.

However, this mechanism appears deficient because of the redundancy and internal contradictions in the College category and in particular how the category is unsuited to its transition function. Only requiring a University College to deliver HDRs in a single field is unrealistic in practice when viewed as part of the transition process. This is because of the retrospective requirement that the provider already be self-accrediting the HDRs across three fields when they become an Australian University. How an aspiring provider can meet the requirements between approval and commencement as a university, including the operations requirements under the category criteria to self-accredit, is problematic. Moreover, as one consultee noted, the University College Category is almost redundant with its only advantage the ability to apply for SAA concurrently.

There are no providers in the University College category, but this may potentially be a function of the relative newness of the regulatory regime and its rapid evolution as opposed to a lack of desire by providers to achieve university status. At present (2018) there are 11 HEPs with SAA and it is conceivable several are preparing to apply despite the high bar that the process involves – virtually becoming a fully formed university overnight. Thus, having no provider in this category by itself does not necessarily imply that it is redundant.

The current process of transition suffers from other contradictions and suboptimalities. Several stakeholders noted that there is a significant administrative burden in seeking progression, especially in the duplication of material to be provided to the regulator, such as the same information being required to be submitted multiple times. Other stakeholders noted that an issue revolves around Internal Quality Assurance and governance maturity with regards to the inter-registration audit process where there is not enough review and feedback. One key issue is that the length of the process itself can be seen as an inhibitor to innovation. The need for track record through the SAA and then through a University College category means that in effect providers can be dissuaded for innovating in course design and research for a decade to ensure the necessary consistency. No such requirements exist once they enter the Australian University or Australian University of Specialisation category. Moreover, there is even the possibility that providers could remain static under the present arrangements for longer. If a provider becomes a University College they are required to plan for the transition to full University status, but this does not mean they ever have to complete transition.

This comes to the heart of the public policy problem with the current provider life cycle provisions. They do not adequately allow providers to evolve through the categories. Rather, it implies that they are capable of fundamentally changing their character and activity from one day to the next. Providers can reasonably expect that gradual or staged processes would best enable their transition from one category to another. Where the transition process works to inhibit progression, and hence innovation and diversity across higher education, it is open to the charge that it is not optimal.

For the reasons outlined here the purpose of the category of University College was seen as confusing by stakeholders. Notwithstanding earlier comments above, it is conceivable the

Australian University College category may be removed and replaced with a simplified transitionary process that addresses these inconsistencies and issues.

6.3. Flexibility of the current Provider Category Standards and the utility of new categories

A number of stakeholders raised the prospect of a Teaching Focused category. Under the PCS there appears to be little to no rationale for this. All current universities offer higher degrees and undertake research, and as one consultee noted, any future universities would likely want to offer research higher degrees or aspire to do so. As soon as they did offer HDRs they would be required to provide a research environment and meet the standards for research, so would de facto be an Australian University or Australian University of Specialisation. Scholarship would need to be part of the learning environment of any University category, or the category would lack meaning and it would be difficult to distinguish it from a mature HEP with SAA. Similarly, a category that was focused on providers only offering pathways courses would be problematic under the current PCS. Again, it is not clear how they could be distinguished from other HEPS in regard to the requirements for providers to undertake scholarship.

The chief challenge with establishing any new categories under the current HESP is that it implies that there is need to delineate certain providers for their activities, yet it is hard to see how this could be done if all are to meet the current HES and still be a higher education provider. If they do not meet the HES then how are they a higher education provider? If they meet the research requirements what then makes them different from a university?

7. System architecture issues

A number of issues were identified relating to the operation and effects of the PCS as part of broader system architecture beyond their narrow role as part of the regulatory framework.

7.1. Market signalling and market position

The PCS through their purpose in protecting the term university, are currently operating as a market signal for provider activity and quality. This is in line with what can be expected considering international experience of categorisation. All stakeholders noted that in protecting the term university, the PCS are seen to generate an important marker for students and industry of the type of activity undertaken. It would be disingenuous to claim that the title university in Australia does not carry significant weight in terms of the expectations of students and community. Indeed, this is the utility of the Overseas University category in ensuring that overseas universities operating in Australia meet community and academic expectations. This was a point made by several consultees.

There was concern voiced during consultations that universities perceive the possibility of diminishing their status and reputation through opening up the Australian University category to providers without the same commitment to research as the current providers in the University categories. Several university stakeholders articulated the concern that new entrants could undermine the university label's credibility and ultimately affect business models in particular with respect to the international market position.

In conveying a market signal and information about providers, the categories are provider-centric not learner-centric, in the sense that the bifurcation between universities and those effectively defined as non-universities can inadvertently suggest a different type of education, despite all providers being subject to the HES. Some of the stakeholders consulted saw this as problematic.

A downside of the categories acting as a market signal is that the PCS are seen by some of the non-university stakeholders to be to be delivering an undue market advantage to providers in the university categories. This fits with research highlighting the potential for categorisation to lead to positional ranking. Nomenclature is not neutral in the sense that status implicitly or explicitly is associated with the title of a provider, and so being in a university category endows a reputational and market advantage. Some stakeholders noted that the PCS are seen to reinforce an arbitrary hierarchy across Australian higher education, as they suggest that advanced knowledge only exists in those institutions classified as universities, which undertake a range of research activities.

7.2. Link to diversity in Australian higher education

TEQSA is charged with encouraging, protecting and enhancing diversity and innovation in higher education in Australia, as articulated as one of the Objects of the Tertiary Education Quality and Standards Agency Act 2011 in section 3(c)(iii) (TEQSA, 2011). The current PCS create an arbitrary binary between "university" and everything not fitting that category, and while they do not prevent diversity, nor do they support and incentivise diversity, underplaying practice-based learning and industry advancement. Viewed from another stand point, they do not reflect the rapidly changing nature of knowledge in the workplace. Increasingly, and certainly with respect to the foreseeable future, higher end vocational jobs require a broader set of skills and capabilities rather than competencies based on past practices.

The basis of the PCS in *a priori* categorisation rules does not currently promote useful differentiation between provider missions, in particular for the "non-university" providers. Higher education providers, especially dual sector institutions, find themselves in a complex

web of regulation of which the PCS are part. A review of the system architecture more broadly in terms of system diversity and performance, which could examine the utility of vertical diversity, such as in China and Germany or horizontal differentiation such as in The Netherlands and Ontario, may be considered if enhancing diversity, quality and innovation is on the agenda.

7.3. Unavoidably linked to issues around transparency and funding

The research on international practice suggests that categorisation can affect system transparency. Stakeholders argued for the importance of transparency around provider activity as a key issue for a student-centred system, noting that while the PCS currently do not play a direct role in providing transparency, they could in the context of any change to them. Moreover, some stakeholders noted that while the PCS are neither purposed nor designed as a transparency tool, their breadth does not serve to enhance transparency of provider activity and quality and may obscure it. For example, transparency may become more important for the PCS in relation to inter-institutional ventures, such as joint masters and other joint program provision, with the challenge being how to effectively capture these ventures as part of the PCS.

While the PCS have no direct relationship to access to Commonwealth government funding for teaching or research, a significant number of stakeholders see them as unavoidably linked to the broader issue of access to public finances. It was noted by stakeholders that it was unlikely that new entrants to the university category would not eventually have access to public funds that the Australian universities currently do, and so any change to the categories could not be undertaken in isolation of the broader context of higher education financing policies. Any category change could influence those providers who can access major programs such as the Commonwealth Grant Scheme or Australian Research Council funding, which likely would not be welcomed by those currently having access to them.

One way to address the perception that the PCS is not too well-suited to act as a transparency tool is to further expand on the Quality Indicators for Learning and Teaching (QILT) data to provide students/parents/industry with more transparency on institutional performance, noting that the vast number of HEPs do not feature in QILT.

8. Suggestions for the Provider Category Standards Review Methodology

This scoping study has identified several technical and other issues. These range from administrative burden of duplication of requirements, to progression pathways and the time it takes to transition from one category to another, to broader issues about the role of the PCS in the future in supporting system innovation and diversity. A review could be undertaken in two phases as follows:

1. Review technical issues and inconsistencies with the current PCS
2. Review the future role of the PCS in relation to system architecture

The logic of splitting the review into two phases recognises that there is varying significance and complexity of many of the issues, especially as they interact with other facets of regulation and system architecture. The interdependence of many of the identified issues adds to their significance and complexity, making it difficult to identify which are the easiest issues to deal with in isolation. For this reason, it is likely that only a limited number of issues can be changed without a comprehensive review of the future purpose of categorisation of higher education providers through the HES. These issues revolve around removing some administrative burden from the process of provider progression, clarifying and supporting TEQSA to resolve some inconsistencies in the current standards, and potentially removing the College categories.

Dividing a review into phases allows for appraisal of PCS relative to the likely impact of any change. A first phase could examine technical issues and inconsistencies with the PCS as identified by stakeholders and through the work of TEQSA. This limited initial phase would focus on those issues which are related specifically to the operation of the PCS as regulation given their purpose in protecting use of the term university. This would not look at a future or expanded role for the PCS. While these issues are significant, they are the most likely to be able to be reviewed with minimal disruption to current arrangements and could look at changing the number of categories in the current PCS, potentially removing the possibly redundant College category, considering the "in the queue" phenomenon highlighted earlier.

Nonetheless, it is likely that seeking to resolve only technical issues could imply some significant changes for the sector. There are some risks concerning progressing technical questions, in that either they cannot be easily resolved without causing unintended consequences, such as inadvertently adding to the complexity for providers seeking to change categories, or they amplify other problems, such as the perception (rightly or wrongly) that the university category provides an undue market advantage. A case in point is adding a teaching focused university category, for which it is almost inconceivable that this could be introduced without a comprehensive revision of the operation and purpose of the PCS.

The following tables summarise the phases, provide a brief comment and include indication of the significance and complexity of any sequenced review and changes. These are intended as broad indicators of the issue through the lens of reviewing them. They are not intended to indicate an absolute assessment of the issue, as in this sense all are highly significant and have great complexity.

Issue	Details	Comments	Significance	Complexity
Administrative burden in the process of provider transition between categories	The process of transition from RTO to HEP and from HEP to a University category is cumbersome for applicants, due to duplication in information submissions required and the time involved.	This particularly affects providers wishing to transition to a University College category. For example, a review might look at a staged process including set hurdles once a provider has signalled an intent to seek registration in a higher category.	Moderate	Moderate
Definition of breadth and quality of scholarship and research in the PCS	There is a need for clarification for TEQSA of the breadth requirements for scholarship and research. TEQSA could benefit from additional support to undertake benchmarking against comparable providers registered in university categories regarding breadth and quality.	The review could look at how the definition could better be operationalised in relation to current practices across the sector.	Moderate	High
Redundancy of the Australian University College category	The College category may be redundant, in part because the need for track record means that in effect a provider wishing to transition to a university needs to be already operating as a university to meet the full standards.	Care should be taken that a potential removal of this category does not negatively impact on HEPs who are, so to speak, "in the queue".	High	Low

A second phase of the review would examine the broader set of issues and the future of the PCS as part of the system architecture. These are issues that go to the heart of the role of categorising higher education providers in the Australian system in relation to institutional differentiation and are tied to future system architecture and design as well as system dynamics. Addressing these issues would likely require a significant change to the PCS as well as a very different approach to a review.

Phase 2: Review the future role of the PCS in system architecture

Issue	Details	Comments	Significance	Complexity
Utility of new categories under the PCS	There is potential utility of new categories under the PCS, such as for a teaching focused category of university and one for pathways colleges.	It appears from the stakeholder feedback that there is **limited enthusiasm for additional categories**. Given the requirements for active scholarship for the university categories, it is hard to see how a new category could operate without major revision to the PCS.	High	High
Future fitness for purpose of the PCS given changes in knowledge creation and dissemination	The PCS are not a categorisation scheme which currently promote innovation in higher education.	The review could examine in what way a future categorisation scheme could promote innovation.	High	High
System architecture to promote performance and diversity	Renewed categories could potentially promote either horizontal or vertical differentiation in the system. Or alternatively, different policy instruments could be developed and implemented to further institutional diversity, quality and innovation across all providers or a subset of providers.	A review could draw on the broad range of international practices canvassed for this scoping study and address their suitability or otherwise to the Australian context. It is hard to see how this could be undertaken without also addressing the funding dimension.	High	High
Market signalling and position	The PCS through their purpose in protecting the term university, are currently operating as a market signal for provider activity and quality.	A review could examine how categorisation provides signals to the market and positions providers, and whether or not this is compatible with the aims of the categories.	Moderate	High
System transparency	The research on international practice suggests that categorisation can affect system transparency.	A review could examine how categorisation affects systems transparency and what actions could be taken to improve transparency.	Moderate	Moderate

9. References

Altbatch, P (2015), The Carnegie Classification of American Higher Education: More—and Less—Than Meets the Eye, *International Higher Education*, Number 80; Spring 2015, Retrieved from https://ejournals.bc.edu/ojs/index.php/ihe/article/viewFile/6153/5391

Bartelse, J & Van Vught, F (2009), The European Higher Education Classification: Objectives and Concepts. In Van Vught, F, A (Ed) *Mapping the Higher Education Landscape: Towards a European Classification of Higher Education* pp.57-70. Springer

Borden, V, Coates, H & Bringle, R (2018), Emerging perspectives on measuring and classifying institutional performance. In Hazelkorn, E, Coates, H & McCormick, A.C (Eds), *Research Handbook on Quality, Performance and Accountability in Higher Education* pp. 189-205, Edward Elgar Publishing

Birnbaum, R (1983), *Maintaining Diversity in Higher Education*. San Francisco, Jossey-Bass

Cai Liu, N (2005), Classification of Chinese Higher Education Institutions, Retrieved from https://search.oecd.org/education/imhe/37800198.pdf

Cai Liu, N (2007), Research Universities in China: Differentiation, Classification and Future World Class Status. In Altbatch, P.G & Balan, J (Eds), *World Class Worldwide: Transforming Research Universities in Asia and Latin America* pp. 54-69, John Hopkins University Press.

Carnegie (2016), Summary Tables for Classification, Retrieved from http://carnegieclassifications.iu.edu/downloads/CCIHE2015-SummaryTables-01Feb16.xlsx

Carnegie (2018), Basic Classification Description, Retrieved from http://carnegieclassifications.iu.edu/classification_descriptions/basic.php

CHEPS- Center for Higher Education Policy Studies (2005), Institutional Profiles, towards a typology of higher education institutions in Europe, Retrieved from https://ris.utwente.nl/ws/portalfiles/portal/5149765/engreport05institutionalprofiles.pdf

Croucher, G & Woelert, P (2016), Institutional Isomorphism and the Creation of The Unified National System of Higher Education in Australia: An Empirical Analysis, *Higher Education*, 71(4),439-453

Croucher, G & Woelert, P (2018), Institutional Isomorphism. In *Wiley Blackwell Encyclopedia of Sociology* (2nd Ed). Wiley Black Publishing

DBIS- Department for Business Innovation & Skills (2011), *Students at the Heart of the System*, Cm8122 Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31384/11-944-higher-education-students-at-heart-of-system.pdf

DBIS-Department for Business Innovation & Skills (2016), *Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice*, Cm 9258 Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523546/bis-16-265-success-as-a-knowledge-economy-web.pdf

DfE-Department for Education (2017), *Securing student success: risk-based regulation for teaching excellence, social mobility and informed choice in higher education, Government Consultation on behalf of Office of Students*, Retrieved from https://consult.education.gov.uk/higher-education/higher-education-regulatory-framework/supporting_documents/HE%20reg%20framework%20condoc%20FINAL%2018%20October%20FINAL%20FINAL.pdf

DfE-Department for Education (2018), *Securing student success: risk-based regulation for teaching excellence, social mobility and informed choice in higher education, Government consultation response*, February 2018, Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683616/Regulatory_Framework_DfE_government_response.pdf

DFG-Deutsche Forschungsgemeinschaft (2013) Excellence Initiative at a Glance – The Programme by the German Federal and State Governments to Promote Top-level Research at Universities. Bonn: DFG.

DFG -Deutsche Forschungsgemeinschaft (2018a), Excellence Initiative (2005-2017), Retrieved fromhttp://www.dfg.de/en/research_funding/programmes/excellence_initiative/index.jsp

DFG -Detusche Forschungsgemeinschaft (2018b), Excellence Strategy, Retrieved from http://www.dfg.de/en/research_funding/programmes/excellence_strategy/index.html

DiMaggio, P.J and Powell, W.W (1983), The iron cage revisited: institutional isomorphism and collective rationality in organizational fields, *American Sociological Review,* 48(2), 147-160

Fielden, J & Middlehurst, R (2017), *Alternative providers of higher education: issues for policymakers*, Higher Education Policy Institute Report 90, Retrieved from https://www.hepi.ac.uk/wp-content/uploads/2017/01/Hepi_The-alternative-providers-of-higher-education-Report-90-04_01_17-Screen2.pdf

Evans, G. (2018), *Has the Office for Students got its thinking straight on governance?*WonkHE, Published on 23 May 2018, Retrieved from https://wonkhe.com/blogs/has-the-office-for-students-got-its-thinking-straight-on-governance/

HEFCE- Higher Education Funding Council England (2015), *Why do we have a Register of HE providers? What is it for?*, Published on HEFCE Blog on 2 November 2015, Retrieved from https://blog.hefce.ac.uk/2015/11/02/why-do-we-have-a-register-of-he-providers-what-is-it-for/

Higher Education Standards Framework (HESF), Retrieved from https://www.education.gov.au/standards-0

Huisman, J & Van Vught, F. A (2009), Diversity in European Higher Education: Historical Trends and Current Policies. In Van Vught, F, A (Ed) *Mapping the Higher Education Landscape: Towards a European Classification of Higher Education* pp. 17-37*,* Springer

Jongbloed, B & Kaiser, F (2011) U-Map and U-Multirank: some first results and reflections on two new profiling and ranking tools for higher education institutions, ENID 2011 conference, Rome, September 2011, Retrieved from http://www.enid-europe.org/conference/abstract%20pdf/Jongbloed_abstract.pdf

Jongbloed, B., Kaiser, F.& Vught, F.A (2013), *U-Map and U-Multirank: profiling and ranking tools for higher education institutions*, Paper presented at 35th EAIR Annual Forum, Rotterdam, Netherlands, August 28 to 31, 2013, Retrieved from https://pdfs.semanticscholar.org/b42c/9c196246c92b15533d7a5a2d771c9b7ecc5d.pdf

Jongbloed, B. W. A., Kaiser, F., van Vught, F. A., & Westerheijden, D.F. (2018). Performance agreements in higher education: a new approach to higher education funding. In A. Curaj, L. Deca, & R. Pricopie (Eds.), *European higher education area: The impact of past and future policies* pp. 671-687. Springer.

Kambayashi, K (1981), A comparison between junior colleges and special training colleges in Japan, *Higher Education,* 10(4), 473-486

Kitagawa, F & Obe, J (2010), Managing differentiation of higher education system in Japan: connecting excellence and diversity, *Higher Education*, 59(4), 507-524

KMK-Kultusminister Konferenz (2015), The Education System in the Federal Republic of Germany 2014/2015, Retrieved from, https://www.kmk.org/fileadmin/Dateien/pdf/Eurydice/Bildungswesen-engl-pdfs/tertiary.pdf

Lederman, D (2014), Carnegie Classification, Via Indiana, *Inside Higher Ed*, Published on October 9, 2014, Retrieved from

       https://www.insidehighered.com/news/2014/10/09/indiana-lumina-boost-take-over-carnegie-classifications

Li, S (2018), From 985 to World Class 2.0: China's Strategic Move, *InsideHigherEd,* Published on 7 February 2018, Retrieved from
       https://www.insidehighered.com/blogs/world-view/985-world-class-20-chinas-strategic-move

Marginson, S (2018), Horizontal diversity in higher education system. Does the growth of participation enhance or diminish it?, CGHE Seminar, 6 July 2018, Retrieved from http://www.researchcghe.org/perch/resources/cghe-6-july-2017-diversity.pdf

MAESD-Ministry of Advanced Education, Skills & Development (2018), *Transitioning to Strategic Mandate Agreement 3 for Ontario Universities and Colleges: A discussion paper to support consultations with stakeholders in Ontario's postsecondary system*, Retrieved from
       https://opseu.org/sites/default/files/sma-consultation_document-march13-en-final.pdf

McCormick (2000), What's Ahead for the Carnegie Classifications? *AAHE Bulletin*, January 2000, Retrieved from
       https://www.aahea.org/articles/jan00f1.htm

McCormick (2013), Classifying Higher Education Institutions: Lessons from the Carnegie Classification, *Pensamiento Educativo. Revista de Investigación Educacional Latinoamericana* ,50(1), 65-75, Retrieved from
       http://pensamientoeducativo.uc.cl/files/journals/2/articles/566/public/566-1475-1-PB.pdf

McCormick, A.C & Borden, V.M (2017), Higher Education Institutions, Types and Classification of. In Shin, C. J & Teixeira, P (Eds) *Encyclopedia of International Higher Education Systems and Institutions*, Springer Reference

McCormick, A.C & Zhao, C.M (2005), Rethinking and Reframing the Carnegie Classification, *Change*, September/October 2005, Retrieved from
       http://archive.carnegiefoundation.org/pdfs/elibrary/elibrary_pdf_634.pdf

Meek, L, Goedegebuure, L, Kivinen, O & Rinne, R (1996) *The Mockers and Mocked: Comparative Perspectives on Diversity, Differentiation and Convergence in Higher Education*. Pergamon

Mendenhall, A (2018), Carnegie Classifications—What's All the Fuss? Published on May 4, 2018, Retrieved from
       https://www.jamesgmartin.center/2018/05/carnegie-classifications-whats-all-the-fuss/

MTCU-Ministry of Training, Colleges and Universities (2013) *Ontario's Differentiation Policy Framework for Postsecondary Education*, Retrieved from
       http://www.tcu.gov.on.ca/pepg/publications/PolicyFramework_PostSec.pdf

Murasawa, M, Watanabe, S.N & Hata, T (2014), Self-image and Missions of Universities: An Empirical Analysis of Japanese University Executives, Humanities, 3, 210-231

Neave, G (1979), Academic Drift: some views from Europe, *Studies in Higher Education*, 4(2), 143-159

Newman, J.H (1852), *The Idea of a University*. University of Notre Dame Press

OfS-Office for Students (2018a), *Securing student success: Regulatory framework for higher education in England*, OfS 2018.01, Retrieved from
       https://www.officeforstudents.org.uk/media/1406/ofs2018_01.pdf

OfS-Office for Students (2018b), *Regulatory Advice 8: Guidance for providers about condition of registration F1: transparency information*, Retrieved from
       https://www.officeforstudents.org.uk/media/1107/ofs2018_08.pdf

Pritchard, R (2006), Trends in the Restructuring of German Universities, *Comparative Education Review*, 50(1), 90-112

Riesman, D (1956) *Constraint and Variety in American Education*. University of Nebraska Press, Lincoln

THE-Times Higher Education (2018a), Most English providers to be unregulated after OfS rules redrawn, *Times Higher Education* Published on 2 March 2018, Retrieved from

https://www.timeshighereducation.com/news/most-english-providers-be-unregulated-after-ofs-rules-redrawn

THE-Times Higher Education (2018b), Oxford and Cambridge singled out on access by new regulator, *Times Higher Education*, Published on 19 July 2018, Retrieved fromhttps://www.timeshighereducation.com/news/oxford-and-cambridge-singled-out-access-new-regulator

TEQSA-Tertiary Education Quality and Standards Agency Act (2011), Commonwealth of Australia, 2011.

Teichler, U (1996). Diversity in higher education in Germany. In Meek, V.L, Goedegebuure, L, Kivinen, O & Rinne, R (Eds) *The Mockers and Mocked: Comparative Perspectives on Differentiation, Convergence and Diversity in Higher Education* pp. 117-137, Pergamon

U-Map (2018), About the U-Map Project, Retrieved from http://www.u-map.eu/about.doc/

U-Multirank (2018a), The Project, Retrieved from https://www.umultirank.org/about/u-multirank/the-project/

U-Multirank (2018b), U-Multirank releases fifth annual world rankings of universities, Published on June 05, 2018, Retrieved from https://www.umultirank.org/press-media/press-releases/u-multirank-releases-fifth-annual-world-rankings-of-universities/

Van Vught, F (2008), Mission Diversity and Reputation in Higher Education, *Higher Education Policy*, 21(2), 151-174

Van Vught, F.A., Kaiser, F. File, J.M. Gaethgens, C. Peter, R & Westerheijden, D.F (2010), UMap the European Classification of Higher Education Institutions, Retrieved from http://www.u-map.eu/U-MAP_report.pdf

Wissenschaftstrat (2010), Recommendations on the differentiation of higher education institutions, Retrieved from https://www.wissenschaftsrat.de/download/archiv/10387-10_engl.pdf

Yiming, Z (2011), Project 985 & Project 211: The Innovative Measures in Improving the Quality of Higher Education in China, *Quality in Higher Education: Identifying, Developing and Sustaining Best Practices in the APEC Region*, Retrieved from https://www.apec.org/Publications/2011/10/Quality-in-Higher-Education-Identifying-Developing-and-Sustaining-Best-Practices-in-the-APEC-Region

Yonezawa, A (2007) Japanese flagship universities at crossroads, *Higher Education*, 54(4), 483-499

Zhao, C.M (2011), The Carnegie Classifications: A Brief Introduction, Paper Prepared for the Unicamp Journal on Higher Education, Retrieved from https://www.revistaensinosuperior.gr.unicamp.br/artigos/the-carnegie-classifications-a-brief-introduction

Ziegele, F (2013), Classification of Higher Education Institutions: The European Case, *Pensamiento Educativo, Revista de Investogacion Educacional Latinoamericana*, 50(1),76-95, Retrieved from http://pensamientoeducativo.uc.cl/files/journals/2/articles/567/public/567-1477-1-PB.pdf

10. Appendix

10.1. Methodology

Informed by the framing considerations, the research uses three primary forms of data— a review of relevant research, findings from targeted consultations and a scan international of practices — to identify a comprehensive set of issues and considerations that could be examined during the planned review.

A focused research literature review underpins the analysis, to ensure a sufficiently comprehensive scope. The consultations identified critical concerns across the stakeholder groups and experts. An international scan enabled a broader comparison of practices of provider categorisation, providing essential context for the Australian experience.

The data and evidence from these discrete components were used to identify issues and considerations, to facilitate comparison in terms of significance and complexity, as well as between different facets of provider categorisation and delineation as they relate to mission differentiation, standards regulation and quality improvement. This enables systematic comparison with international provider categorization practices as they relate to government regulation and funding, including their strengths and weakness.

This final report provides suggestions for the Provider Category Standards Review Methodology to be undertaken in two phases, dividing the technical issues and inconsistencies with the current PCS from those issues that relate to the future role of the PCS in system architecture.

10.2. Consultation

The consultations were conducted as follows, under Chatham House Rule.

Table 1: Consultations

Stakeholder Name
Professor Victor Borden (Carnegie Classification)
Jon File (co-project leader U-Multirank)
Business Council of Australia (BCA)
Tertiary Education Quality and Standards Agency (TEQSA)
Universities Australia (UA)
TAFE Directors Australia (TDA)
Australian Technology Network (ATN)
Group of Eight (Go8)
Innovative Research Universities (IRU)
Regional Universities Network (RUN)
Australian Council for Private Education and Training (ACPET)
Australian Chamber of Commerce and Industry (ACCI)
Australian Skills Quality Authority (ASQA)

The following questions were provided to consultees and guided the consultion sessions.

1.   What does the current categorisation of providers achieve? Who benefits? Can it continue to meet the needs of industry and Australia into the future?

2. Is it effective as a component of Australian higher education governing architecture?
3. Does it provide the necessary transparency of provider activity?
4. What is its impact on the operation and behaviour of current and potential providers, including international providers, both domestically and globally?
5. What are the reputational and other impacts, including whether they are enhancing or restricting system flexibility, as well as institutional innovation and diversity?
6. Is the current array of provider types, and their classification, likely to deliver the tertiary education and research system the country needs in the future? If not, where are there gaps or where are mismatches likely?
7. Is further diversity of provider types a likely success factor in achieving a better system?
8. Could diversity of provision within providers be an alternative to diversity between providers, perhaps at program level? Perhaps a combination of both approaches
9. If diversity of providers is seen as a useful means to an improved education system, what incentive may be needed to develop and sustain diversity?
10. Do classes of provider need to be formalised (and regulated) or could effective diversity be achieved by the market? Should some classes of provider be regulated and, if so, which classes and for what purpose?
11. Does Australia need, and could it afford more specialised providers e.g. liberal arts teaching-only universities, narrower specialisations than currently contemplated e.g. single field of education and research or universities that educate only or mostly higher degree research students?
12. Would it be helpful to facilitate more multi-sector models with broader tertiary education missions?

10.3. Carnegie Classification

The United States has one of the largest and most diversified systems of higher education in the world, with over 4700 higher education institutions. In 1967, The Carnegie Commission of Higher Education was established by Carnegie Foundation for the Advancement Teaching to study and advice on the needs of the US higher education system towards the end of 20th century (McCormick, 2013). The CCIHE was developed as an analytical tool to serve the research needs of this Commission and later made available for the wider research community upon request (Zhao, 2011). The first classification was published in 1973 and has been updated every five years since then, to reflect the changes in US higher education system.

In 2014, The Carnegie Institute of Advancement of Teaching, transferred the responsibility of CCIHE to Indiana University Bloomington's Centre for Postsecondary Research. The US higher education has continued to diversify, and it was felt that, the CCIHE required a major update to accurately reflect the increased complexity (Lederman,2014) The centre received financial support from the Lumina Foundation to update and enhance the classification. The 2015 CCIHE is the first published by the Centre. The centre is in the process of updating the classification, due to be published towards the end of 2018, having moved to a three-year to a five-year update cycle.

10.3.1 The Carnegie Classification

The CCIHE comprises of six classification schemes: basic, undergraduate instructional program classification, graduate instructional program classification, enrolment profile classification, undergraduate profile classification and size & setting classification. Of these the *basic* is the original classification and is focused on higher education provider category

(Table 2). The classification is based on the type of degree offered by an institution, Doctoral, Masters, Baccalaureate and others. It includes both private and public institutions that offer these degrees. The sub-classifications consider size, disciplinary focus, dominant type of student and transferability.

The CCIHE is primarily as a **classification** tool and does not serve any **regulatory** purpose nor does it reflect the **quality** of the higher education institutions. A key strength of the CCIHE is that it is simple, and this has led to its widespread use by a variety of stakeholders in the US higher education sector. Over the years, it has become embedded in the higher education lexicon of USA and has thus become a 'basis of shared understanding' (McCormick, 2000). Although, critics of the CCIHE have offered other classification, none have been embraced by the higher education community (Borden et al, 2018)

10.3.2 Issues and Criticisms

- *A priori* **approach**: A key criticism of the classification has been its '*a priori*' approach to classification whereby institutions are classified according to categories defined by researchers in informed institutes (Brint et al, 2006; Ruef and Nag, 2015 in Borden et al, 2018). This approach is also inadequate in when it comes to identifying new and emerging forms of higher education institutions (Ruef and Nag, 2015 in Borden et al, 2018).

- **CCIHE as rankings:** The CCIHE has also come to be seen as a ranking system. As in other countries, diversification has resulted in what has been called 'academic drift'. In the case of USA, universities have aspired to be classified in the prestigious R1 category (See Table 2). Previously, the most selective liberal arts colleges were classified as Liberal Arts 1, which gave other colleges to be placed in this category (Altbatch, 2015). It has been argued that the order in which the categories are presented and the use of numeric for subcategories has also fuelled the perception of CCIHE as a ranking system (McCormick, 2000). Within the Doctoral Universities category, a fall from R1 to R2 can be interpreted as a demotion, even though the classification does not reflect quality (Mendenhall, 2014).

- **Gaming the system:** To climb the 'Carnegie rankings' or to prevent a 'demotion' from happening, universities and colleges - can game the system, by awarding more doctoral degrees in certain disciplines, hiring more faculty, reallocating and increasing research expenditure in targeted departments (Mendenhall, 2014; McCormick, 2013).

- **Inadequate reflection of an institutions mission:** The CCIHE does not address the 'traditional components of mission equally' and places more emphasis on research, as opposed to teaching (via degrees conferred and fields covered), while service is neglected (McCormick, 2000)

- **Loss of identity:** As CCIHE designation is often equated with institutional identity, this has led to a 'loss of identity' (Zhao, 2011). In some cases, the designated classification of a higher education has been at odds with its identity, for example, those institutions that identify as Liberal Arts colleges while also having graduate programs of significant size (McCormick,2013).

- **Unintended use of the classification**: Although it was first developed to serve as an analytical tool for higher education research, it is now widely used by a variety of users for other purposes, not originally intended. The CCIHE has been used by the *US News & World Report* in their annual rankings of higher education institutes in USA.

Elsewhere, foundations have linked the eligibility for particular grant schemes to the designated classification in CCIHE (McCormick & Zhao,2005).

Table 2: The Carnegie Classification of the Institutes of Higher Education 2015 (Adapted from: Carnegie,2016; Carnegie,2018)

Main Classification	Sub-Classification	Number of Institutions	Criteria
Doctoral Universities	R1: Highest research activity	115	Includes institutions that award at least 20 research/scholarship doctoral degrees. It does not include professional practice doctoral-level degrees. Sub categories are based on level of research activity
	R2: Medium research activity	107	
	R3: Lowest research activity	113	
Master's Colleges and Universities	M1: Larger Programs	393	Includes institutions that award at least 50 master's degrees and fewer than 20 doctoral degrees Sub categories are based on the size of the program
	M2: Medium Programs	207	
	M3: Smaller Programs	141	
Baccalaureate Colleges	Arts and Sciences Focus	259	Institutions where baccalaureate or higher degrees represent at least 50 percent of all degrees but fewer than 50 master's degrees or 20 doctoral degrees were awarded
	Diverse Fields	324	
Baccalaureate/Associate's Colleges	Mixed Baccalaureate/Associate 's Colleges	259	Four-year colleges that conferred more than 50 percent degrees at associate's level.
	Associate's Dominant	149	
Associate's Colleges	High Transfer-High Traditional	166	Institutions where the highest degree awarded is the Associate's degree. Sub categories based on disciplinary focus and dominant student type
	High Transfer-Mixed Traditional/Non-traditional	127	
	High Transfer-High Non-traditional	84	
	Mixed Transfer/Career & Technical-High Traditional	110	

	Mixed Transfer/Career & Technical-Mixed Traditional/Non-traditional	102	
	Mixed Transfer/Career & Technical-High Non-traditional	130	
	High Career & Technical-High Traditional	87	
	High Career & Technical-Mixed Traditional/Non-traditional	123	
	High Career & Technical-High Non-traditional	184	
Special Focus Institutions	Special Focus Two Year: Health Professions	267	Institutions where a high concentration of degrees awarded are in a single field or set or related fields
	Special Focus Two Year: Technical Professions	62	
	Special Focus Two Year: Arts & Design	41	
	Special Focus Two Year: Other Fields	74	
	Special Focus Four Year: Faith-Related Institutions	310	
	Special Focus Four Year: Medical Schools & Centers	54	
	Special Focus Four Year: Other Health Professions School	261	
	Special Focus Four Year: Engineering Schools	7	
	Special Focus Four Year: Other Technology-Related Schools	70	
	Special Focus Four Year: Business & Management Schools	94	
	Special Focus Four Year: Arts, Music & Design Schools	137	
	Special Focus Four Year: Law Schools	36	

	Special Focus Four Year: Other Special Focus Institutions	36	
Tribal Colleges		35	Colleges and Universities which are members of the American Higher Education Consortium

10.4. United Kingdom: Office for Students

The 2011 White Paper *Students at the Heart of the System* (DBIS, 2011, p.12) announced the establishment of a 'new fit for purpose regulatory framework' for England, with the Higher Education Funding Council (HEFCE) taking on the role of lead regulator. A series of consultations were undertaken focusing on the development of the new regulatory framework.

One of the outcomes of the consultation was the establishment of a Register of Higher Education Providers, which HEFCE was tasked to develop as a regulatory tool. The Register, launched in 2014, was not simply a list of higher education providers in England, but provided information on the powers these institutions had (for e.g. degree granting powers) and the standards they had to meet in order to retain them (HEFCE,2015). Some 600 providers were registered in 2015. The type of providers listed were, providers which received HEFCE funding directly, Further education and sixth-form colleges receiving HEFCE funding to offer Higher Education, alternative providers with specific course designation, providers with university/university college title, providers with degree awarding powers and providers accredited for Initial Teacher Training (HEFCE, 2015).

10.4.1 The 2016 White Paper- Success as a Knowledge Economy

The 2016 White Paper - *Success as a Knowledge Economy* (DBIS, 2016) further consolidated the regulatory framework through the Office for Students (OfS) which was to replace HEFCE. It stated that 'the current system tends to protect incumbent providers from competition, with new providers facing significant barriers to entry and expansion (DBIS, 2016, p.23). The goal was to provide a 'level playing field' to all high-quality providers through risk-based regulation and thereby improve the overall quality and diversity of the higher education system. The Operating Framework of 2013 did not cover all providers and excluded those not funded by HEFCE, those with courses not designated for student support and those whose provision was not validated by a UK higher education institution or other recognized awarding body (Fielden and Middlehurst, 2017, p. 19).

It proposed three categories for higher education providers registration as follows:

- **Basic Provider** – gain officially recognized HEI status, no access to public funding and student support system, no Tier 4 sponsorship for international students and no degree awarding powers/university title.
- **Approved**- access to student support system (up to 6000 tuition fee loans), eligible to apply for Tier 4 sponsorship and degree awarding powers /university title but no access to public grant funding.
- **Approved (fee cap)**- access to public funding (basic cap of 6000 tuition fee loans and higher cap of 9000), eligible to apply for Tier 4 sponsorship and degree awarding powers/university title.

In the consultation process that followed, several stakeholders raised concerns regarding the use of the 'basic category'. This category was designed to provide confidence for students that such that the provider is recognized by OfS as offering higher education courses (DfE,2017). The minimal regulatory requirements were considered proportionate to the benefits received (DfE,2017). The key criticism against the 'basic category' was that it did not require higher education providers to undergo stringent quality and risk tests and still allowed an official status. For example, providers in this category were not required to present Student Protection Plan. Others highlighted that these were the providers that posed a greater risk to students and that 'given there is a focus on students, the conditions should be proportionate to the risk to students, not related to the benefits accessed by the provider'(DfE, 2018, p.31).

10.4.2 The new Register under the Office of Students

In February 2018, the newly established OfS published *Securing Student Success, Regulatory Framework for higher education in England* (OfS, 2018a) which describes the new regulatory framework in England. All higher education providers which wish to access any of the following benefits are required to register with OfS:

- access to public grant funding and student support system
- eligibility to apply for Tier 4 sponsorship license of international students
- gain degree awarding powers (DAP)/university title

Higher education providers can apply for to register in the following in two categories.

- Approved
- Approved fee cap.

Following the consultation, the basic category was removed. Each category (approved and approved fee cap) has different sets of benefits and conditions (**Table 3**). There are two types of conditions:

Initial and ongoing conditions which providers must meet when initially registering and continue to meet to remain on the register. The initial and ongoing conditions pertain to: access and widening participation (A), quality, reliable standards and positive outcomes for all students (B), protecting the interest of all students (C), financial sustainability (D), good governance (E), information for students (F), and accountability of fees and funding (G). **Specific ongoing conditions** that OfS may apply based on risk assessment for the provider to remain on the register[1].

Table 3: Benefits associated with each register category (Adapted from: OfS, 2018a, pp.28-30)

Benefits		Approved (fee cap)	Approved
Public grant funding	Eligibility for direct grant funding from Research England (part of UK Research and Innovation)	Yes	No

---

[1] For example, both University of Oxford and University of Cambridge have been issued specific ongoing conditions, requiring improvements to their widening participation efforts. (THE,2018b)

Benefits		Approved (fee cap)	Approved
	Eligibility for OfS teaching grant or any other payment by OfS	Yes	No
	Eligibility to apply for research council funding	Yes	Yes
Access to the student support system	Ability for eligible students on eligible undergraduate courses to apply for support	Yes (Up to the higher amount with an access and participation plan)	Yes (Up to lower fee amount with uncapped fees)
	Ability for eligible students studying on eligible postgraduate courses to apply for support	Yes	Yes
	Ability for eligible students studying on eligible courses to apply for Disabled Student's Allowance	Yes	Yes
Tier 4 sponsorship licence	Eligibility to make application to the Home Office to recruit international students with a Tier 4 sponsorship licence	Yes	Yes
Degree awarding powers and university title	Eligibility to apply for authorisation to grant one of more of the following awards: a) Foundation degrees b) Awards in specific subjects c) Awards at bachelor- level d) Any taught awards e) Research awards	Yes	Yes
	Eligibility to use the 'university' or 'university college' in a provider's title.	Yes	Yes

The OfS approach to regulation is risk-based and the Register is first and foremost a regulatory tool. However, some estimates quote that up to 522 providers will not be registered and yet be providing higher education in England (Evans, 2018). There will now be more unregulated providers than regulated (THE, 2018a). In terms of transparency and informed choice, the ongoing condition (F) *Information for students* requires universities to publish data in the following four categories: application, offer and acceptance, completion and attainment, broken down by student characteristics and socioeconomic background (OfS, 2018b). In addition, all registered providers must present Student Protection Plans which highlights specific measures the provider will undertake should it choose to leave the market or close a program.

Higher education providers previously registered with the HEFCE Register are now in the process to re-register with OfS. The re-registration process began in April 2018 and as of July 2018, 42 higher education providers have been registered.

10.5. EU- U-Map and U Multi-rank

Higher Education was for a long time a 'taboo' subject for EU policy (Neave, 1984) and it was not until mid-1980's that the first EU level higher education initiatives e.g Erasmus appeared (Huisman & Van Vught, 2009). In 1999, the Bologna Declaration proposed a European Higher Education Area (EHEA) which would promote mobility of university students and employability graduates between the EU countries. The Bologna process aimed to increase the 'comparability and compatibility' of the European higher education system (Huisman and Van Vught, 2009), focusing specifically on qualifications, quality assurance and credit transfer. In addition, an EU research policy domain was developed. A European Research Area (ERA) was created 'to integrate national research policies, to encourage cooperation between researchers at the European level and to stimulate the links between universities and industries' (Huisman & Van Vught, 2009, p. 20). Both EHEA and ERA have contributed to the rise of diversity as a salient policy issue in EU higher education policy agenda (U-Map, 2018).

Although the overall emphasis of Bologna Process has been on systemic convergence, the importance of institutional diversity has been acknowledged by the European Commission. The European Commission Communication of Higher Education 2005 highlighted the need for differentiation, acknowledging that insufficient differentiation can prove to be a hinderance to widening participation of different type of students and the achievement of world class excellence (CHEPS, 2005).However, the preference is for 'organized diversity' within 'a coherent and compatible European framework' (European Commission, 2005,pp. 3-4), which sets limits to diversity (Huisman & Van Vught, 2009).

10.5.1 U-Map

The U-Map project was initiated in 2004, with the aim to design a classification of higher education institutions in Europe. The rationale was to 'better understand and use diversity in the European Higher Education landscape' (Bartelse & Van Vught, 2009, p. 57). It is a transparency tool developed over several years. The U-Map was developed with extensive consultations with stakeholders who would eventually use the system.

The classification is not based on fixed categories, allowing users to define their own (Zeigele, 2013). In this the developers have adopted a nomothetic (*a posteriori*) approach to classification. The users can classify universities or create 'institutional profiles' based on six dimensions as follows; teaching and learning, student profile, research involvement, regional engagement, involvement in knowledge exchange and international orientation. Each dimension has several indicators on which the higher education institutions' similarities and differences can be compared (**Table 4**).

Table 4: The U-Map dimensions and indicators (Source: Van Vught et al, 2010, p. 6)

Teaching and Learning	Student Profile
- Degree level focus - Range of subjects - Orientation of degrees - Expenditure on teaching	- Mature students - Part-time students - Distance learning students - Size of student body
Research Involvement	**Involvement in Knowledge exchange**

Teaching and Learning	Student Profile
- Peer reviewed publications - Doctorate production - Expenditure on research	- Start-up firms - Patent applications filed - Cultural activities - Income from knowledge exchange activities
International Orientation	Regional Engagement
- Foreign degree seeking students - Incoming students in international exchange programs - Students sent out in international exchange programs - International academic staff - The importance of international sources of oncome in overall budget of the institution	- Graduates working in the region - First year bachelor students from the region - Importance of local/regional income sources

The U-Map tool uses these indicators to produce 'sunburst charts' which provide a 'snapshot of the extent to which a HEI is engaged in the various dimensions of institutional activity' (Jongbloed et al, 2013, p.4). While the data source for Carnegie Classification is the US Department of Education, a single source for similar data collection does not exist in Europe, as each country has its own systems. Thus, data for U-Map is provided by the higher education institutions themselves (Van Vught et al, 2010). The U-Map has two tools, a Profile Finder and a Profile Viewer. The Profile Finder 'is an instrument to identify specific subsets of higher education institutions within the whole set of higher education institutions included in the classification' (Van Vught et al, 2010, p.6). The Profile Viewer 'provides a visual representation of the profile of an institution, or comparative information on institutions in a selected subset' (Van Vught et al, 2010, p.7).

10.5.2 U-Multirank

U-Multirank is 'is a multidimensional, user-driven approach to international ranking of higher education institutions' (U-Multirank, 2018a). In doing this, it adds the performance aspect to U-Map, gauging how higher education institutions are 'performing in the context of their institutional profiles' (Jongbloed & Kaiser, 2011, p.1). The five dimensions of U-Multirank are research, teaching and learning, international orientation, regional engagement and knowledge transfer. The first U-Multirank was published in 2014 and is updated every year. The fifth and latest edition was published in 2018, ranking 1614 higher education institutions from 95 countries (U-Multirank, 2018b).