



# Comparative developments in Australian and UK higher education

*Developments of international relations and investments in these two major systems*

Presentation to the Australian Chamber of Commerce and British Chamber of Commerce  
25 October 2019, Beijing

Wells  
Advisory



## About the Presenters

Wells Advisory



**Mr Michael Wells, Founding Director**, is a former TEQSA Commissioner and Executive Director of Finance and Planning at the University of Melbourne, where he was also a member of the Senior Executive Committee and the Academic Board. He is expert in governance, business planning, and regulatory strategy.



**Professor Roger King, Director and Chair**, is a former Vice-Chancellor at the University of Lincoln and founding Chair of the Institute for Learning and Teaching in Higher Education. He is a widely published expert in risk governance and higher education policy. He is a visiting professor at the University of Bath and a Research Associate at London School of Economics. He is a member of the UK Higher Education Commission.

Higher education is now internationally recognised as one of the most critical sectors in terms of advanced economies, equipping new generations of students, re-equipping graduates over their working lives, expanding international networks, and being a key player in the innovation eco-system.

Australia and the UK have two of the leading higher education systems, recognised in terms of transnational education, innovative research and global rankings of institutions. Both systems have major relationships and flows with China.

Whilst the Australian higher education system was modelled on the UK system academically and is much younger in terms of its development, more recently it has been the UK following Australia's lead in terms of student financing, tuition protection, and risk-based regulation and licensing.

This seminar will provide a comparative overview of the two systems, their market structure, their regulatory frameworks, and recent developments. Developments in international relations and a variety of investment examples will also be highlighted.



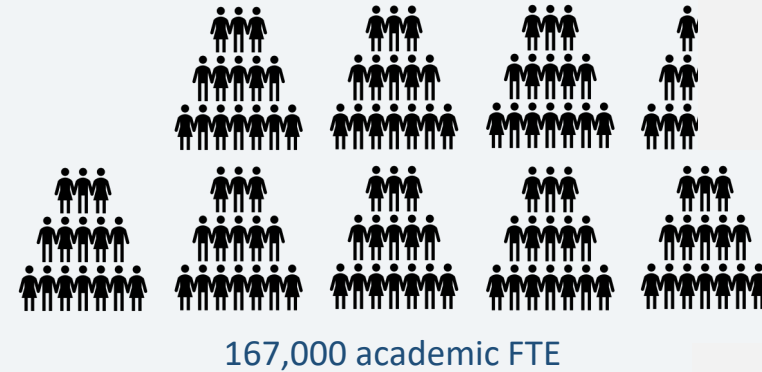
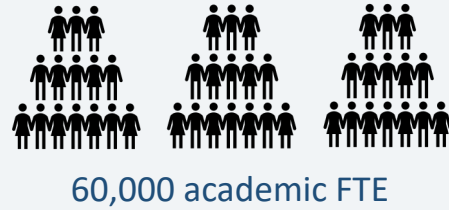
# 1. Higher Education in Australia and UK Compared

# Snapshot of Higher Education in Australia and the UK

## Student Load



## Academic Staff FTE



## Non-University/ Alternate HE Providers



## Universities





AUSTRALIA

VS



UNITED KINGDOM

## KEY TRENDS

Student Load (Australia)



The UK sector is almost twice the size of Australia but Australia's is growing faster

Student Load (UK)



## SECTOR SIZE

Course Level (Australia)



Australia has a higher reliance on UG load

Course Level (UK)



Citizenship (Australia)



Australia has had stronger growth in the overseas segment

Domicile (UK)



## Student Profile



VS



AUSTRALIA

UNITED KINGDOM

Staff FTE (Australia)



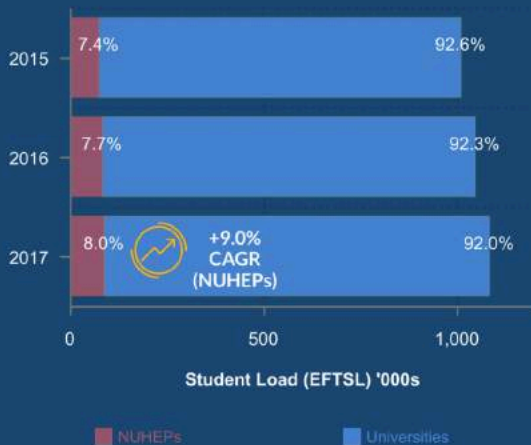
Staff FTE (UK)



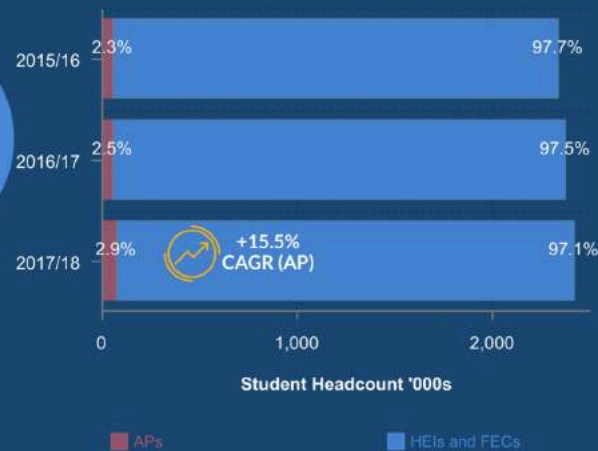
There is a similar ratio of academic to non-academic staff but Australia's SSR is around 50% higher than UK's

Staff Profile

Student Load by Provider Type (Australia)



Number of Students by Provider Type (UK)



UK APs have strong growth but Australia has a higher proportion of students enrolled at private providers

Non-University Providers



## 2. Regulatory Framework in Australia





**Number and trend of registered HE institutions in Australia:** The number of providers within the private for-profit non-university higher education providers (NUHEPs) segment has grown while the others have either contracted or remained unchanged.

*Registered Higher Education Providers in Australia, 2013-2019*

| Provider Type                | 2013       | 2014       | 2015       | 2016       | June 2018  | May 2019   | Oct* 2019  |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Public universities          | 40         | 40         | 40         | 40         | 40         | 40         | 40         |
| Private universities         | 3          | 3          | 3          | 3          | 3          | 3          | 4          |
| Public TAFEs                 | 12         | 12         | 12         | 11         | 11         | 11         | 11         |
| Private for-profit iHEPs     | 58         | 62         | 63         | 64         | 63         | 68         | 72         |
| Private not-for-profit iHEPs | 60         | 61         | 58         | 52         | 51         | 52         | 51         |
| <b>TOTAL</b>                 | <b>173</b> | <b>178</b> | <b>176</b> | <b>170</b> | <b>168</b> | <b>174</b> | <b>178</b> |



Non-University  
Higher Education  
Providers (NUHEPs)

\*There were 178 HE providers as at October 2019 – further research is required to determine changes to the provider type breakdown.



## The Australian Regulatory Framework



- TEQSA registration and course accreditation required – gate to system, including SAA and university title
- International student visas – limit number enrolled at each site / provider, impose additional standards (eg face to face delivery)
- Domestic loans approved by Minister – course by course
- Vocational education separately regulated



# Wells Advisory

**Higher Education in Australia – Private or non-university provision:** Most providers operate in more than one regulatory environment. Out of the 131 NUHEPs, 48 (37%) were regulated by two types of legislation while 49 (37%) were regulated by three types. 11 NUHEPs operated only with TEQSA Act regulation.

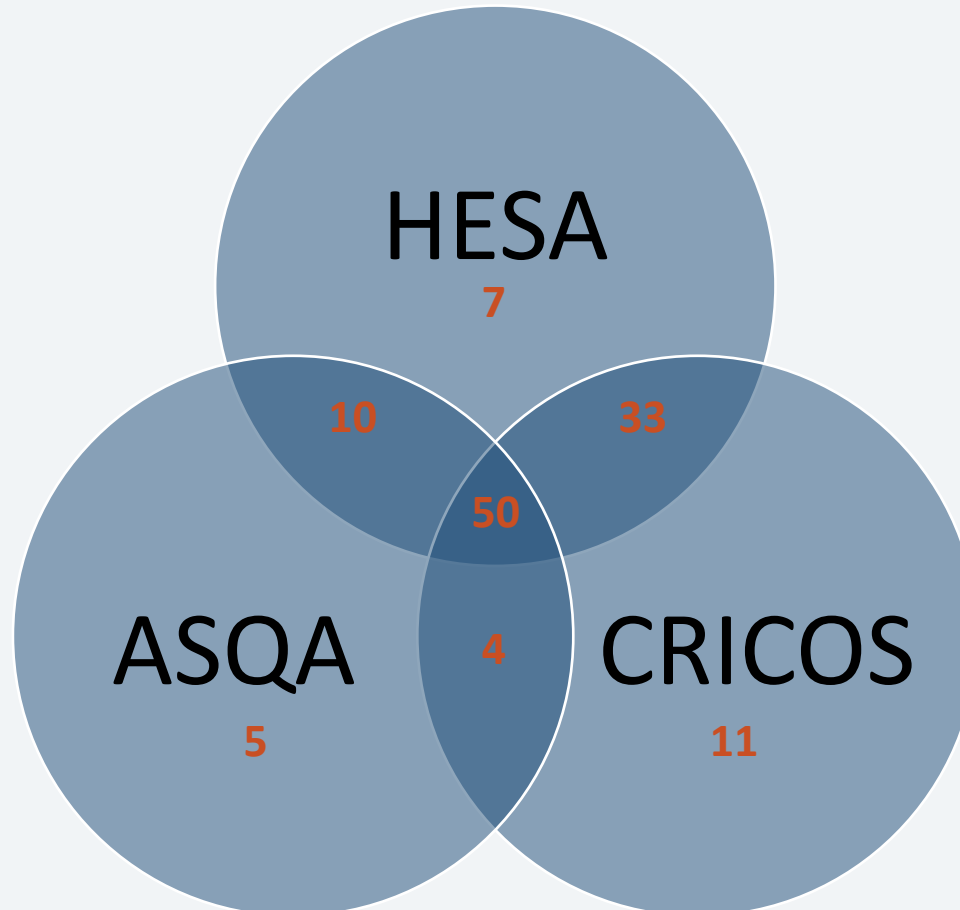
Number of NUHEPs and TAFEs by regulatory requirements, 2019  
All 131 NUHEPs are at least regulated by the TEQSA Act

### Definitions:

**HESA:** Higher Education Support Act 2003 that governs the majority of financial support to HE institutions and students (loans), including Higher Education Load Program (HELP).

**CRICOS:** Institutions that offer international student places must have Commonwealth Register of Institutions and Courses for Overseas Students registration.

**ASQA:** the national regulator for Australia's vocational education and training (VET) sector.



**11**  
No HESA, ASQA or CRICOS requirements

These providers include professional organisations that offer continuing professional development courses within their field. Examples include: Chartered Accountants Australia and NZ and The Tax Institute.



## 2. Regulatory Framework in the UK

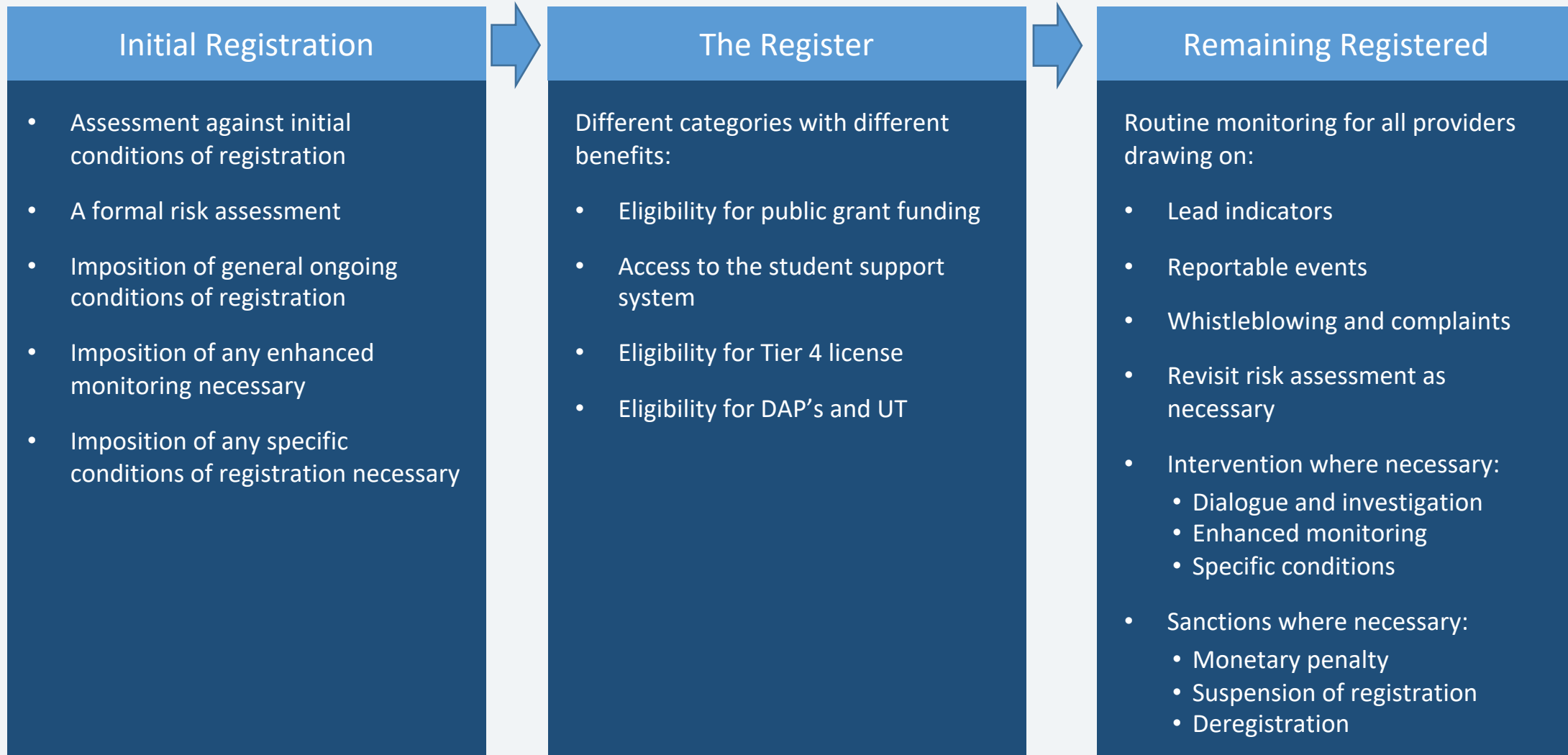


## Number of registered HE institutions in the UK:

- 272 higher education providers reported their data to the Higher Education Statistics Agency (HESA).
- Of these, 165 are public universities or other higher education institutions (HEIs), 104 are alternative HE providers (APs) and 3 are further education colleges (FECs).
- A research report recently estimated that there are as many as 813 private HE providers in the UK.
- 387 HE providers are registered with the Office For Students (OfS). The OfS is the regulator for English HE and providers must register with the OfS if they wish to:
  - access public grant funding (such as funding to support teaching), and/or student support funding (such as enabling students at a provider to access student finance)
  - apply to the Home Office for a Tier 4 licence to recruit international students, or to maintain an existing licence
  - apply for degree awarding powers in order to award their own degrees, and/or university title.



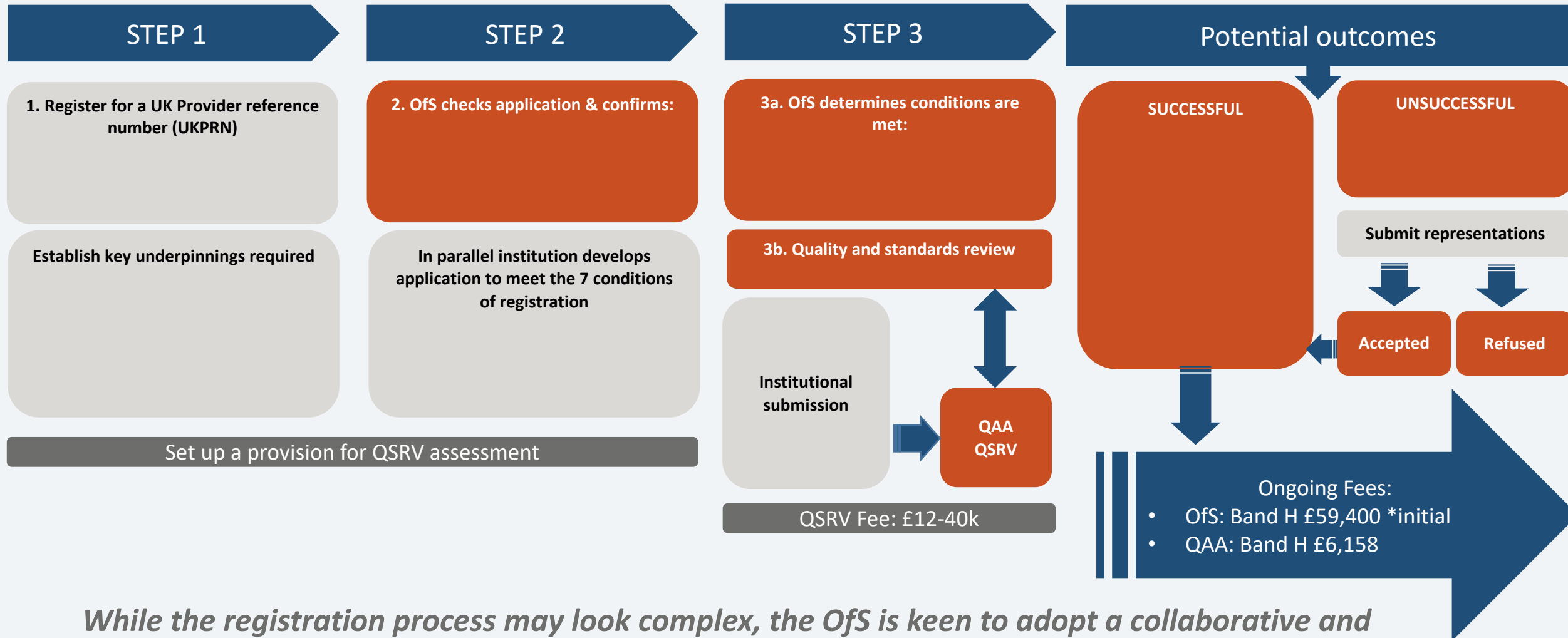
## OfS's approach to the regulation of individual providers





## The journey to OfS registration

# Wells Advisory



*While the registration process may look complex, the OfS is keen to adopt a collaborative and facilitative approach to engaging with new providers.*



# Recent Developments





## Some Recent Developments in Australian Higher Education:

1. Demand Driven System has now been re-capped (CSP places) for universities. Growth now only in line with population and with performance criteria. This will have knock on effects.
2. The minimum threshold for graduate salaries to repay student loans was reduced (from 1 July 2019).
3. From 1 January 2020, there will be a combined HELP load limit (which includes Commonwealth Supported, FEE-HELP and Vocational Education student loans).
4. Real cuts to Government research funding of universities, with mix shift toward health
5. Impact of digital transformation is seeing rapid development of MOOCs and 'credentials' for credit, major growth in EdTech sector as facilitator, and disruption of channels to market
6. 2012 regulation of the sector likely to remain in place, tough front gate, license to operate approach, but with potential changes to AQF (Noonan Review) and Provider Categories (Coaldrake Review)
7. Some new market structure arrangements emerging, eg MIT micro-masters system, eg Indian and Chinese colleges forward integrating



## Some Recent Developments in UK Higher Education:

1. Establishment of OfS as new HE regulator in England
2. House of Commons Education Committee publishes report on 'Value for money in higher education.'\*\*
3. Augar Report: Independent panel report for the 'Review of Post-18 Education and Funding.' recommends changes to fee structures\*\*\*
4. Demographic shifts, including rise in participation over last decade\*, and projected population upturn
5. Friendlier migration and related policies
6. Brexit poses significant disruption and risk, especially to research grants, and impact on EU staff and students, but also 'open to the world'

Source: \* [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/834341/HEIPR\\_publication\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834341/HEIPR_publication_2019.pdf)

\*\* Published October 2018. <https://publications.parliament.uk/pa/cm201719/cmselect/cmeduc/343/343.pdf> / <https://pressfrom.info/uk/news/world/us-news/-366350-britains-universities-refund-tuition-fees-to-nearly-1-000-students-in-two-years-over-complaints-of-poor-value-for-money.html>

\*\*\* [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/805127/Review\\_of\\_post\\_18\\_education\\_and\\_funding.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf) / <https://www.bbc.co.uk/news/education-46074099>



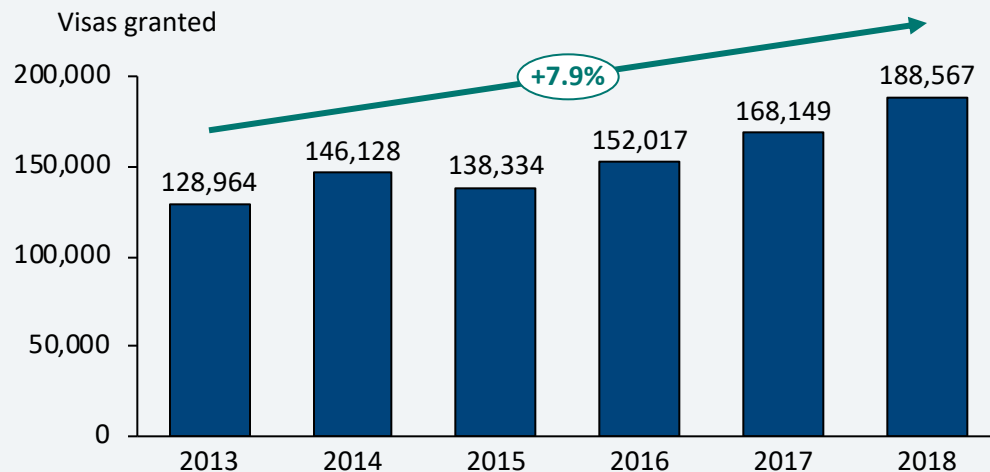
# International Relations

## International Relations in Australian Higher Education:

Changes were made to the student visa framework (SSVF) to simplify the process by:

- Reducing the number of student visas from seven to one – the Student (subclass 500) visa'
- Having a single evidence level framework that applies to all international students;
- The number of visas granted demonstrates continued strong demand from international students over time.

Research ties continue to strengthen, with PhD sponsored programs, and joint research partnerships. Eg G08 MoU in Oct19 with 'C11'. But overlaid by restrictive national security legislation putting onus on Australian universities.





## International Relations in UK Higher Education:

1. Consultation on UK Transnational Education has been launched by the QAA – running from Oct 2019 to Feb 2020.\*

Rowena Pelik, QAA's Director of Nations and International, said: "The quality and excellence of the UK's higher education sector underlie the demand for UK transnational education. This joint consultation will help ensure that the way in which we support and enhance that reputation is developed in collaboration, delivering for higher education providers in the UK and internationally."

2. UK announces 2-year post-study work visa for international students.\*\*

'The new 'Graduate' route will be open to all international students who have valid UK immigration status as a student and have successfully completed a course of study in any subject at undergraduate level or above at an approved UK Higher Education Provider. The visa will allow eligible students to work, or look for work, in any career or position of their choice, for two years after completing their studies.'

3. Jump in EU academics leaving UK after Brexit referendum.\*\*\*

The number of European Union academics leaving the UK for a job in an overseas university climbed by almost half after the Brexit referendum.

Source: \* <https://www.qaa.ac.uk/news-events/news/consultation-on-uk-transnational-education-launched>

\*\* <https://www.gov.uk/government/news/uk-announces-2-year-post-study-work-visa-for-international-students>

\*\*\* <https://www.timeshighereducation.com/news/jump-eu-academics-leaving-uk-after-brexit-referendum>



# Investment Examples



## Investment Examples in Australia:

- Increasing investments in R&D precincts, eg IBM/UniMelb, eg J&J/Monash, eg Baosteel / UQ, eg UNSW Torch Zone
- King's Own Institute is a Sydney-based HE college that specialises in degree courses in Accounting, Business, and Teaching English to Speakers of Other Languages (TESOL). The Institute was recently purchased for A\$128M by China Education Group.
- TOP Education Institute (Sydney-based, HK listed), with PwC as a partner
- Global Business College of Australia, an investment of Huashang Education Group (HK based)





## Investment Examples in the UK:

- Northeastern University in Boston plans to acquire the New College of the Humanities
- Global University Systems (Amsterdam-based) announced in January 2018 the acquisition of the London College of Creative Media
- BrightScholar (Guangdong based) buys CATS Colleges (foundation, ESL)

## Wells Advisory







Michael Wells | Founding Director (Australia)

[Michael.Wells@wellsadvisory.co](mailto:Michael.Wells@wellsadvisory.co)

+61 418 316 606

Professor Roger King | Director & Chair (UK)

[Roger.King@wellsadvisory.co](mailto:Roger.King@wellsadvisory.co)

+44 787 969 5261

Wells  
Advisory

[enquiries@wellsadvisory.co](mailto:enquiries@wellsadvisory.co)

[www.wellsadvisory.co](http://www.wellsadvisory.co)



# Data Sources



## Data Sources for Australian HE:

### Student data:

Department of Education and Training, Selected Higher Education Statistics, 2014-2017:

<https://www.education.gov.au/student-data>

### Staff data:

Department of Education and Training, Selected Higher Education Statistics, 2014-2017:

<https://www.education.gov.au/staff-data>

**Other HE data:** <https://www.education.gov.au/ucube-higher-education-data-cube>

### Visa data:

[https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1819/Quick\\_Guides/OverseasStudents](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1819/Quick_Guides/OverseasStudents)

### Regulatory information:

TEQSA website: <https://www.teqsa.gov.au/>

TEQSA register: <https://www.teqsa.gov.au/national-register>



## Data Sources for UK HE:

Student and staff data:

Higher Education Statistics Agency (HESA) website: <https://www.hesa.ac.uk/data-and-analysis>

HE provider information:

HESA website: <https://www.hesa.ac.uk/support/providers>

Office For Students (OfS) website: <https://www.teqsa.gov.au/national-register>

Research Paper: Hunt, S.A., & Bolliver, V. (2019). *Private providers of higher education in the UK: mapping the terrain*. Centre for Global Higher Education. Retrieved from:

<https://www.researchcghe.org/perch/resources/publications/to-publishwpp47.pdf>