Disadvantaged Australians diverted into ‘third party’ tuition

Patchy information obscures outcomes for students taught by subcontractors

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By John Ross

Twitter: @JohnRoss49

Disadvantaged Australian students are increasingly being farmed out to third party providers where their prospects of success are lower than if they were taught in-house by the universities that enrolled them, a new report suggests.

But the study, by researchers from three Victorian universities, has found that information about third party provision is so “opaque” that it is impossible to draw firm conclusions about its quality.

The report suggests that Australia’s universities are increasingly relying on subcontractors to teach students outside their traditional catchments. It found that regionally based universities tended to use third party providers to educate students in the cities, and vice versa.

Partner institutions teach a higher proportion of socioeconomically disadvantaged students than the universities that contract them, and a lower proportion of other recognised “equity” groups such as indigenous Australians, people with disabilities and those from non-English speaking backgrounds. But irrespective of their backgrounds, students taught by subcontractors have lower retention and success rates than those who take in-house courses.

The findings suggest that having at last been embraced by a higher education sector that long overlooked them, disadvantaged Australians are now being diverted into an alternative stream of provision with second-rate outcomes. But co-author Naomi Tootell said that it was impossible to draw this conclusion because of a dearth of information.

She said that the poorer outcomes could reflect the ability of the students rather than the quality of the providers. “Universities are picking up quite different students when they’re doing third-party delivery,” said Ms Tootell, a PhD candidate in sociology and researcher at La Trobe University’s Centre for Higher Education Equity and Diversity Research.

She said that the study had highlighted a need for more transparency and consistent reporting requirements around third party delivery. It found that newly enrolled students often were not even aware that they would not be taught in-house.
Ms Tootell said that the study findings indicated a sharp increase in subcontracting over the past few years, as universities vied for a bigger share of tuition dollars. This echoed recent surges of third party provision in Victoria’s vocational education and training sector, and in US higher education, following policy changes to encourage competition.

“There should be greater transparency and accountability around this, because of the concerns we’ve seen in VET and in the US,” she said. “It’s not necessarily a problem, but it could be – and how will we know if we’re not tracking and monitoring it?

“Before we began this project, we expected that third-party data would be freely available. There was a lot of work involved in simply trying to uncover which institutions and which courses were done by third party delivery.”

The project scrutinised university policy libraries and financial statements to assess the extent of subcontracted provision. It found that 22 of Australia’s 38 public universities had policies referring to third party delivery, with 14 boasting stand-alone policies on the subject – mostly formulated since 2014.

The researchers could only uncover enough information to reliably assess the extent of third party provision at five universities. Across these institutions, the number of students taught by subcontractors had snowballed from about 700 domestic undergraduates in 2013 to 14,700 three years later.

The report was published by the National Centre for Student Equity in Higher Education, which funded the study.