

## Rules and regulation could strangle online learning

Published at [The Conversation](#), Tuesday 9 April 2013

*Red tape could be preventing online education from really flourishing in Australia, writes **Andrew Norton***

Regulation has always shaped Australian higher education.

Some rules have helped – like [extending HELP loans](#) to private higher education providers in 2005. While tougher rules – [like the ones to define a “university” in 2000](#) – have hindered.

But with the advent of Massive Open Online Courses (MOOCs) and even more students learning online, accreditation and funding rules could be getting in the way of great online education in Australia.

The issue is not that regulators are against new technology or technology-driven teaching methods. But they are conservative on higher education business models, which affect how education can be offered and its price.

### Square pegs, round holes

At the moment every higher education provider has to meet [legal higher education standards](#) before they can offer a degree.

These standards are made by the Commonwealth education minister, and enforced by the [Tertiary Education Quality and Standards Agency](#). Essentially the standards codify existing practices of on-campus public universities.

Higher education providers must ensure that students are informed of and have access to counselling, health, welfare, accommodation and career services. They need to advise students of actions they can take to enhance their security on- and off-campus.

These ideas about student welfare reflect ideas of a campus community where universities take pastoral responsibility for their students.

For many universities, a campus community is a key part of what they offer. But these services are also available elsewhere, so it is not essential for all higher education providers to offer them.

It's easy to see why for purely online universities these rules are impractical. With students spread over wide geographic areas identifying appropriate services would be difficult.

And for online students, quite different services such as technical support for IT and software problems may be more useful.

### Rationing rationale

All higher education providers must also provide admission services. They have to ensure that students have the prior knowledge and skills to take the course, with the final decision resting with appropriately qualified personnel.

This rule makes sense for on-campus education where student places are limited. Enrolment is expensive for the student, the higher education provider, and the taxpayer and all parties need to

manage their risk. And if a student drops out, this means they have deprived someone else of a place. Rationing prior to enrolment then makes the system fair and efficient.

But with online education delivery these concerns are much less significant. As MOOC providers like [Coursera](#) or [edX](#) show, the time and money costs of trying a set of course materials can be kept low for all parties – a modest time commitment for students, a low cost for the MOOC platform, and zero expenditure for taxpayers.

For MOOC providers, general advice on their website about necessary or desirable prior knowledge can help students do an initial self-screening of their potential.

After a period of taking the course materials, [learning analytics software](#) can be used to examine a student's progress. Information about frequency of use of online services and academic results is already used to identify "at risk" students. But learning analytics data can also show that students who looked risky to begin with can make it.

With lower costs and better information analysis online, formally admitting students after rather than before they start studying online is more fair and efficient. No student who could have succeeded is excluded because they do not fit the picture of a successful student. No money is wasted trying to assess eligibility through school results or other prior study.

### **Campus default**

A university that was solely online could be established in Australia. But under the current rules, it would need to provide services that would not be suitable for online students. This would waste money and put up costs, defeating the point of low-cost online education.

The current rules for establishing higher education providers assume campus-based delivery technology and economics. The standards are like restrictions on student loans before 2005 – rules suppressing entrepreneurial energy in higher education.

We need revised standards to open Australia's higher education market to innovative new institutions and allow quality online education to flourish.

This article is based on a report by Andrew Norton, released by Grattan Institute, [\*The online evolution: when technology meets tradition in higher education\*](#).

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