

## ***HIGHER EDUCATION AT THE CROSSROADS: AN OVERVIEW PAPER***

### ***KEY POINTS***

#### ***'Empires of the Mind'***

- Higher education fulfils significant functions in our society. It values learning throughout life. It promotes the pursuit, preservation and transmission of knowledge. It extols the value of research, both 'curiosity-driven' and 'use-inspired'. It enables personal intellectual autonomy and development. It provides skills formation and educational qualifications to prepare individuals for the workforce. It helps position Australia internationally. (para 2)
- The Government has emphasised that not all Australians may wish to undertake higher education. Acquisition of competency-based vocational and trade skills are an equally appropriate choice for young Australians developing their abilities for the labour market. However, for increasing numbers of Australians, universities are perceived as the most appropriate way to invest in their future. (para 3)
- The Government sees the purpose of higher education as much greater than preparing students for jobs. It regards higher education as contributing to the fulfilment of human and societal potential, the advancement of knowledge and social and economic progress. (para 4)

#### ***Higher education policy framework***

- There are a number of challenges facing Australia's higher education system. The policy framework that shapes the system stands in need of review. (paras 73, 83)
- Australians have inherited an economic and cultural legacy built largely on the exploitation of natural resources in agrarian, land and labour intensive industries. But each day brings evidence of change that foreshadows a future as much based in knowledge as those industries so historically critical to our past. (preface)
- The kind of Australia in which the next generation will live, to a large extent will depend on Australia's institutions of higher learning – universities. That which will most influence and inform our future, is not what we know – but what we don't. (preface)

#### ***Learning experiences and outcomes***

- There needs to be a renewed focus on learning in higher education institutions. There is a need for greater flexibility in approaches, modes and settings for learning. Notions of 'learning productivity' may be appropriate to frame a more proactive and outcomes-based approach to teaching and learning. (para 94)

- The current 'packaging' of learning in higher education tends to be restricted. There is opportunity for teaching and learning to be individually paced. Innovative course structures may reduce the period of income foregone while studying. (paras 95, 105)
- The typically tight structure of course requirements could also be made more flexible. There may be scope for a customised portfolio approach that recognises modules of learning completed through different providers at different times. (para 96)
- The recurring question of academic standards must be addressed. Questions have been raised about whether the current quality assurance framework is sufficiently rigorous to assess the quality and standards of educational outcomes. (para 100)

### ***Access on an equitable basis***

- Despite past efforts, there are still important issues relating to how to improve access to higher education by people from low socio-economic backgrounds, indigenous students, students with a disability and students from rural and isolated areas. (para 102)

### ***Institutional specialisation***

- The current 'one-size-fits-all' funding arrangements tend to normalise institutions and provide few incentives to encourage innovation and differentiation. (para 75)
- Australian higher education institutions need to focus on their strengths in teaching and research to build their competitiveness internationally. Notwithstanding recent reforms, Australia is at best just keeping pace internationally. (paras 114,115)
- Institutions have largely converged to a predictable spread of teaching, research and research training at the risk of compromising quality and excellence. There may be scope for the development and enhancement of variations of excellence in our higher education institutions – eg. excellence in research; excellence in teaching; excellence in partnerships and collaborations; excellence in internationalisation. (paras 117, 119)
- At the same time calls have increased for Australia to develop a few top quality 'world-class' universities. We need to consider whether this is an appropriate goal, whether it is achievable and how it might be achieved. (paras 115, 119)

### ***Regional engagement***

- Universities are generally expected, and particularly those in regional areas, to perform a community service role but they are not funded explicitly for this purpose. (para 74)
- Regional engagement needs to become an integral part of what regional universities/campuses do. Engagement could comprehend a new compact of mutual obligation, involving active partnerships between institutions, their staff, students, government, industry, employers and the community. (para 111, 113)

### ***Efficiency and effectiveness***

- There are some perceived inadequacies in the internal operations of universities. These include variable teaching loads of staff, non-productive research, inflated course offerings, cumbersome administrative systems and process inefficiencies. (para 121)
- Universities need to take hard decisions to increase their output and to reduce the costs of their inputs while maintaining quality. (para 122)
- There is scope for better management of university course offerings and the associated issues of staff and capital utilisation efficiencies. (para 128, 130)
- Attention needs to be given to the use of capital assets. There are substantial investments tied up in fixed capital assets of universities. Most universities are fully operational for only 150 days a year. There could be further exploration of leveraging university assets. There is also scope for efficiency gains and collaboration in 'back office' administration. (paras 130, 131)

### ***Governance and management***

- In 1995 the Hoare Review of University Management identified shortcomings in the governance and management of universities. Some commentators have suggested that little has changed since that review. (para 135)
- Universities need to ensure that their governing bodies have the necessary organisational skills and business acumen to fulfil their responsibilities. (para 137)
- There is scope for improving policies and processes for selection, induction, training, and succession planning for senior management. (para 138)

### ***Workplace relations***

- Some progress has been made in recent years towards workplace flexibility but not enough. There is a need for improved management of staff productivity. Traditional academic cultures and industrial structures can operate together to restrict the ability of universities to make the most of new opportunities and to meet the changing needs of students and the community. (para 143, 141)
- It needs to be examined whether rigidities in university staffing structures lead to continuation of a supply-side approach to educational offerings rather than one responsive to student demand. (para 139)

### ***Revenue diversification***

- Overall revenue for Australian universities has significantly increased, by \$3.8 billion or 70 per cent, between 1991 and 2000. This reflects a substantial diversification of their revenue sources. (para 144)
- Industry support for university research and teaching offers considerable potential for revenue supplementation, as does the commercialisation of university activity. The challenge will be to reconcile the traditions of academic integrity and freedom with the more profit driven demands of the commercial world. (para 155)

### ***Financing***

- The adequacy of public funding is relative to the scale and cost-effectiveness of the system, the public/private mix of institutions and the share of costs between general taxpayers and students. (para 160)
- A plurality of financing approaches is appropriate for the balanced development of a diversified system. The total approach must have overall coherence with regard to policy intentions and incentives. An appropriate balance needs to be reached between public and private contributions to the costs of higher education. (para 189)
- Whatever the option chosen, there is a need for an integrated package which allows individual institutions greater flexibility. (para 192)

### ***Bureaucratic red tape***

- Higher education institutions should be publicly accountable for their activities and performance because they are the recipients of public and private investment. Monitoring and regulation are essential to meet the spirit and substance of that public accountability. (para 193)
- However, claims must be addressed that Australian higher education institutions are currently burdened by excessive bureaucratic controls, unreasonable compliance costs and that the systems monitoring their behaviour and performance are not sufficiently rationalised. (para 193)
- Systems of reporting and regulation could be streamlined and the compliance costs for universities reduced. (para 196)

## ***A framework for consultation***

### ***a. learning experiences and outcomes***

Qa1 What scope is there for increasing the productivity of learning?

- by moving away from time-serving approaches to curriculum organisation and allowing more self-paced, mastery-based progression?
- by adopting student customised, modular approaches to course construction?
- by providing tuition and learning support services on a more continuous basis throughout a calendar year, and on weekends?
- by institutions operating at more convenient times for students?
- by limiting the duration of tuition subsidies?

Qa2 How can we best enhance the status and quality of teaching in higher education?

Qa3 How can institutions ensure that subjects/units and courses are:

- sufficiently rigorous in content and assessment?
- appropriate as 'higher education'?
- sufficiently responsive to the needs of students, employers and other stakeholders?

Qa4 What impact do overseas students have on learning experiences and outcomes?

Qa5 What impact would minimum standards for a degree have if ever introduced?

Qa6 What is the impact of the Australian Qualifications Framework being reviewed with a view to including Associate Degrees and vendor certificates that have international standing?

Qa7 Should the potential contribution of the Graduate Skills Assessment be further developed and analysed as a 'national' assessment of generic skills?

Qa8 Is the existing quality assurance framework sufficiently rigorous to assess the quality and standards of educational outcomes?

### ***b. access on an equitable basis***

Qb1 What structural barriers remain that deter people from disadvantaged backgrounds from participating in higher education?

Qb2 What can higher education institutions do to make early connections with schools to encourage participation of under-represented groups?

Qb3 What is the scope for offering disadvantaged students differently structured courses, including courses of shorter duration than the traditional degree programme, without compromising quality or standards?

Qb4 To what extent and by what means should resources be put into higher education to address equity issues?

***c. engagement of universities with their communities***

Qc1 What is a reasonable expectation of the contribution of higher education institutions to regional communities?

Qc2 Should universities be specifically funded for community service activities and, if so, who should pay?

Qc3 How can Government policy encourage universities to focus on being of service to the community?

Qc4 Should the funding decisions for regional higher education institutions in relation to purchase of educational services and broader services be with regional bodies?

***d. institutional specialisation***

Qd1 How can Australia best develop and maintain world class capability in knowledge advancement?

- Should Government adopt a planned approach to differentiation or allow higher education institutions to determine their own futures in response to incentives that reward diversification?
- Can Australia have at least one world-class university? What would it take?
- Should Government encourage stronger collaborative arrangements, such as a federation of the ATN universities?
- Should we encourage the formation of some highly specialised units such as Agricultural Institutes or Graduate Schools of Education?
- Can we develop world class expertise on a distributed basis by developing communications and computing infrastructure?

Qd2 What roles do we envisage for universities that will not be competitive in sustaining their current profiles of research and research training?

***e. efficiency and effectiveness***

Qe1 What is the scope for rationalising the number of courses offered?

Qe2 How can staffing productivity (both general and academic) be increased and monitored?

Qe3 What scope exists for further improving the efficient use of universities' capital assets?

Qe4 How can universities' administrative processes be made more efficient?

Qe5 What scope is there for greater collaboration between higher education institutions in academic and administrative areas

***f. governance, management and workplace relations***

Qf1 What forms of staffing flexibility do different universities need?

Qf2 How can enterprise bargaining or the registration of individual agreements be made more effective in higher education?

- should enterprise bargaining occur at Faculty/Entity levels?

Qf3 How can performance management, and recognition or reward of individual and team achievement, be improved?

Qf4 What are the capabilities required of university governing bodies?

Qf5 What are the capabilities required of university top managers?

Qf6 Should the Acts under which universities are established be modified to legally bind university boards to act for the university as a whole?

Qf7 How appropriate is the current division of responsibilities for managing higher education as between the Commonwealth and the States and Territories?

***g. revenue diversification***

Qg1 What structural and institutional elements constrain universities from improving revenue flows and net returns?

Qg2 What steps could be taken to raise revenue from alumni?

Qg3 What measures might stimulate higher levels of philanthropic contributions to higher education?

Qg4 How can government best support universities in seeking sources of revenue to complement public investment?

Qg5 How can universities ensure that overseas student fees cover the cost of their education?

Qg6 What scope is there for greater collaboration between higher education institutions, industry and research institutions on improvements to education as an export service?

Qg7 How can university teaching and research gain commercial support while maintaining academic integrity?

### ***h. allocation of public subsidies***

Qh1 How large should the Australian higher education system be?

Qh2 What is an appropriate balance of public and private contributions to the costs of higher education?

Qh3 What is the best mix of public funding mechanisms for promoting quality, responsiveness, diversity and engagement?

- how feasible is performance-based funding for undergraduate education?
- should historically allocated places be transferred to areas of growing student demand?
- how should places be allocated?
- how should the funding structure take into account university differences?

Qh4 How should non-university courses, which are articulated into university degrees, be funded?

Qh5 Should tuition subsidies be time limited? Should loans be capped? If so, what are the appropriate limits?

Qh6 How can universities best be given increased flexibility for raising resources within a framework of accountability?

- to what extent should the higher education sector be further deregulated?

Qh7 Should private providers have wider access to public subsidies on the same basis as public institutions as a means of stimulating differentiation?

- what criteria should private institutions be required to meet?

i. cutting bureaucratic red tape

Qi1 Are the current levels of reporting and regulation appropriate and necessary?

Qi2 How can the bureaucratic structures and processes and compliance costs imposed on institutions by the Commonwealth, States and Territories and other agencies be streamlined?

Qi3 Should the inter-governmental agreement between the Commonwealth and the States in respect of higher education responsibilities be reviewed?

Qi4 How well balanced are government relations with universities in respect of enabling reasonable autonomy of decision making and assuring public accountability?

- to what extent can red-tape and compliance costs be reduced with a view to re-investing savings in education?