ACPET launch in China

The Australian Council for Private Education and Training (ACPET) has set up in China to support members including Navitas, Kaplan and Study Group. NSW Premier Barry O'Farrell, who is on a trade mission to China, is due to launch ACPET China tomorrow. The council represents 1000 private education and training businesses based in Australia. Its China office will be located in the city of Chengdu, in the country's south-west. The Knight review of international education recommended Australia's best quality vocational education and training providers be encouraged to explore opportunities for offshore course delivery. ACPET chief executive Claire Field said Chengdu was an “emerging megacity” and in 2011 was ranked fourth among Chinese cities with the most investment potential.

Joanna Mather
Fee deregulation attacked

Marianna Papadakis

Deregulating undergraduate university fees would hurt those from poor and indigenous backgrounds most, student associations and the Greens have warned.

National Union of Students president Donherra Walmsley said if students faced insurmountable debts upon graduation, many would opt out of university.

And the suggestion that law, business, engineering and medicine students earned more from their degrees and should therefore pay more was flawed, she said.

"Many jobs in those fields are not actually very high paying," Ms Walmsley said after University of NSW vice-chancellor Fred Hilmer said students in those disciplines could handle higher fees because they were likely to earn good salaries.

"Charging high fees will also discourage graduates from taking up work in the community sector, regional areas and other less well-paid but extremely important jobs within their field," she said.

Professor Hilmer said a 25 per cent premium in certain disciplines would make a significant difference to UNSW's bottom line.

Graduate Careers Australia’s annual graduate survey shows engineering graduates earned an average of $60,000 last year while medicine salaries were $58,500, economics and business, $47,000, and law $51,000. The highest starting salaries went to those in dentistry ($80,000), optometry ($70,000) and earth sciences ($65,000).

Australian Law Students Association vice-president Aimee Riley echoed Ms Walmsley’s concerns. She said allowing universities to charge more would make law less attractive to potential students. She also rejected the idea that law graduates could be categorised as high earners.

Students in law degrees already contribute 84 per cent to the cost of their degree and another increase would make law a predominantly funded degree, Ms Riley said.

That was “highly inequitable” when compared with the greater funding contribution made by government in other disciplines.

"More than half of law graduates do not practice law," Ms Riley said.

"Accordingly, to increase student fees on the basis of potential earnings is not feasible or an accurate reflection of the current marketplace trends.”

Professor Hilmer argued that in the absence of any real prospect of greater funding from governments, universities should be allowed to set their own fees. To offset disadvantage, there could be more scholarships for students from lower socio-economic backgrounds.

There are mixed feelings about fee deregulation. Monash University chancellor Alan Finkel has publicly supported the idea but peak body Universities Australia, comprising the heads of all universities, has yet to form a policy.

The federal government has repeatedly hosed down expectations of a 10 per cent rise in per student funding, as proposed by the Bradley review, but nor is it likely to allow fee deregulation.

The Opposition’s higher education spokesman, Brett Mason, said he was open to all ideas and the main focus should be on quality, not volume.

Greens higher education spokeswoman Lee Rhiannon said it was a “wake-up call” to the government to come up with a funding plan.

SYDNEY’S BACK IN THE MAINSTREAM MBA MARKET

The University of Sydney re-enters the mainstream MBA market today with a $60,000 offering and newly acquired facilities in the CBD.

The university has formed an exclusive partnership with talent management firm Korn/Ferry International and the MBA will emphasise leadership development.

The qualification will initially be offered only in part-time mode, with the target market being city-based go-getters aged between 27 to 35 years.

“This is an MBA which is not about the academics and the University of Sydney,” business school dean Geoffrey Garrett says. “It’s all about the candidates.”

With an accompanying advertising blitz and ‘Me, First’ branding, the MBA launch is part of the university’s attempt to re-establish itself as a heavyweight in postgraduate business education following its split with the University of NSW’s Australian Graduate School of Management in 2005.

Sydney launched a global executive MBA in June 2010 for which enrolments were limited to 15 students a year, all of whom must have a decade’s experience.

New MBAs face off, next page
The university funding debate

Spending boosted, says study

Joanna Mather

Labor has hit back against claims it is underfunding the surge of university enrolments, releasing independent research which shows per student support is nearly $2000 higher as a result of the government’s reforms.

Federal Tertiary Education Minister Chris Evans will today release a report by Ernst & Young which he says confirms universities are better off thanks to changes stemming from the Bradley Review of 2008.

The report says university funding will be about 10 per cent higher, at $21,488 per student, in 2013 than it would have been had the Bradley reforms, which included the uncapping of places and better indexation of government grants, not taken place.

“Some in the university sector have suggested that while overall funding to universities has been increased to $38.8 billion over the next four years, funding per student place has been in decline,” Senator Evans writes in today’s Australian Financial Review.

The government was criticised for declining federal funding for universities and “oppressive regulation” by Group of Eight chairman Fred Hilmer last week.

With significant increases in student numbers as a result of the deregulation of place numbers but more government support unlikely, the only remaining option was to deregulate fees, he said.

“The government should allow universities to charge increased fees from students in degrees with high public benefit, such as business, law, engineering and medicine,” he said.

The HECS system of income-contingent loans would prevent any immediate financial strain for these students, Professor Hilmer said in an address to the National Press Club last Wednesday.

There are an extra 150,000 students attending university since the government began relaxing restrictions on places in 2010. Yet as a proportion of gross domestic product, spending on tertiary education has been in decline for the past two decades, says an Australian Council of Educational Research (ACER) paper released on Friday.

Australia has the fourth-lowest level of public expenditure relative to GDP, at only 0.7 per cent, it says.

“The OECD average is going up incrementally, we’re going down incrementally,” ACER senior research fellow Daniel Edwards said.

“If we’re also expanding our system quickly and downgrading our funding relative to 20 years ago, there could be compromises in terms of quality of provision.”

The Ernst & Young report says there would have been an increase in funding both in aggregate and per-student levels even if the Bradley reforms did not take place.

But the rise was more significant in the current environment, with university funding projected to be about 10 per cent higher at $21,488 per student in 2013, primarily as a result of a rise in the rate at which government grants are indexed.

“The effect of the Bradley review indexation reforms are evident and show a greater gradient of growth in funding from 2012,” the report says.
Some have suggested that while overall funding has been increased, funding per student place has been in decline.

Chris Evans, Federal Tertiary Education Minister

The government should allow universities to charge increased fees from students in degrees with high public benefit.

Fred Hilmer, University of NSW
Colleges shut in crackdown

Joanna Mather

The head of the national regulator for vocational education and training has detailed "strong action" taken to force colleges out of business, with six providers stripped of their licenses and hundreds of applications for initial registration, re-registration or course changes refused.

Australian Skills Quality Authority chief executive and chief commissioner Chris Robinson said in the severest cases, six registered training organisations (RTOs) had their registration cancelled during the regulator's first year in operation. Another four had their activities curtailed via the cancellation or suspension of courses, he said.

Nearly 30 existing providers were not allowed to renew their registration and 126 applications to add new courses were refused. "They might have been moving into a new area and we assessed them as being non-compliant with the standards required," he said.

Mr Robinson confirmed that, with the establishment phase over, the regulator would embark on a program of strategic audits in areas that were identified as problematic by industry and students.

Its approach would be the same as the Australian Tax Office which announces its targets for compliance each year.

Baristas and plasterers doing flood reconstruction work are under the microscope this year. "I think the aged care industry will feature prominently in our first program of reviews," Mr Robinson said, citing the Productivity Commission's report last year which highlighted shortfalls in the quality of training in this area.

A sailing school, retail training provider, first aid academy and martial arts college were among the businesses to be de-registered. A number of the providers whose registration were terminated are having their cases heard by the Administrative Appeals Tribunal.

The only publicly funded institution listed among the suspensions is NSW TAFE's Western Institute.

Four units on horse riding and stock work were suspended in early 2012 after a fatal accident in 2009.

Forty-eight registered training organisations were refused initial registration.

Chris Robinson, regulator
University funding at record levels

Opinion
Chris Evans

The Labor government has overseen a transformation of the higher education landscape. We have opened the doors to universities, and an additional 150,000 students now have the opportunity of a higher education.

Through massive investment, increased access to youth allowance and recent tax reforms which raised the tax-free threshold, low-income Australians, higher education is now accessible to more Australians than ever before.

Labor has driven these reforms not just in the name of social justice but because there is an economic imperative. By 2025, one in four Australians will need at least a bachelor degree qualification to get a job.

Some in the university sector have suggested that, while overall funding to universities has risen to $38.8 billion over the next four years, funding per student place has been in decline.

An independent report released today by Ernst & Young proves that nothing could be further from the truth. The need to lift per-student funding was a finding of the Bradley review in 2009 and echoed in the base funding review in 2011.

The Ernst & Young report shows that, with the implementation of the Bradley reforms, funding for each student place in 2013 will be 10.1 per cent, or $1964, higher than if those reforms hadn't been implemented.

In other words, a record number of students are enrolled in Australia's universities and Australia's universities have record funding to support those students.

The underinvestment and cuts to universities experienced under the Howard government have been reversed under the Gillard government.

More student places and funding mean Australia will have a higher-skilled and innovative workforce that is capable of driving productivity and growth.

As part of our reform agenda, we have also been tackling how best to support our universities to create students who are able to thrive in the 21st century.

In an increasingly global and competitive economy, we need to take seriously the question: what should a modern university look like?

We need to ensure students are in a position to choose a university that best fits them. We need to ensure students are engaged, and graduating with the right skills.

We need to build links between industry and universities to better meet the skills needs of our future economy.

We are taking significant steps to address these issues.

The newly-established Australian Workforce and Productivity Agency will help, but we also need to build stronger links between industry and universities across the whole spectrum of higher education — work-integrated learning in undergraduate degrees, employer support for postgraduate training and retraining, and industry-linked research.

In the coming weeks I will convene a high-level meeting with industry and university leaders to see how the two can work together to ensure that Australia's graduates have the skills to get a job in the emerging economy.

My University provides students with the information they need to choose the university that best meets their needs, but we will also need to work with schools and vocational education and training providers to strengthen the pathway to university.

We need to work harder in this space to equip young Australians with the skills they need to be global citizens — able to address the challenges and opportunities of today as well as tomorrow.

The Gillard government's white paper on the Asian Century will provide a blueprint for our engagement with Asia.

The government recognises that we need to have a better understanding of the changing global economic and strategic environment and how Australia relates to this.

That paper will be released shortly and will be influential in terms of Australia's position on a whole range of matters, be it foreign affairs, education or trade.

One thing I've been pushing for is to make international education and science and research exchanges very much part of that focus.

I am committed to developing policies to ensure that Australia's universities are well placed to give Australians the opportunity to take advantage of the high-skill, high-paying jobs that are developing in Asia.

The Ernst & Young report shows our universities are being funded at record levels to teach a future generation of Australians.

Labor is committed to building on these achievements and ensuring Australia has a modern university sector that will give Australians the opportunities to fulfil their potential, develop their talents and drive high-skilled and productive industry in Australia.

Chris Evans is the federal Minister for Tertiary Education, Skills, Science and Research.
More student places mean a higher-skilled workforce.

Photo: NIC WALKER
Degrees within reach, yet women still suffer

AUSTRALIA’S higher education is more accessible than in many other OECD countries, according to a research briefing paper released today by the Australian Council for Educational Research.

The paper also reveals that Australia’s relatively high bachelor degree attainment levels are now above the OECD average, a recent phenomenon compared with other nations that have been achieving higher attainment for a number of generations.

“The Australian government has set ambitious targets for its higher education system, aiming to substantially broaden and improve it by increasing participation and transforming funding arrangements. This move is beginning to bear fruit,” says Dr Daniel Edwards, ACER Senior Research Fellow and co-author of the research briefing paper.

Interestingly, the higher participation rates have been achieved despite Australian expenditure on tertiary education falling for the past 20 years. “We need to keep in mind that declining expenditure on tertiary education could have adverse consequences down the track,” Edwards says.

The report also highlights that while more women study at university, their salaries are lower than their male counterparts. The discrepancy is stronger the more qualified the graduate, an outcome that is not a feature of many other developed nations.