Fair uni fee deregulation is vital

ANY vice-chancellor proposing that undergraduates pay more towards the cost of their university education is not expecting to win a popularity contest with students, their parents or the federal government.

So why are a number of vice-chancellors urging the government to at least consider a limited form of fee deregulation? Don’t we care about our students? Are we simply being greedy?

No, we are being realistic. What’s been largely lost in the heated debate over fee deregulation is the urgency of the financial situation facing our universities.

Revenue is simply failing to keep pace with costs, as evidenced by the number of universities now engaged in redundancy programs in an effort to reduce spending.

For decades universities have been underfunded and increasingly reliant on income from international students to close the gap. The soaring dollar and increased competition from other countries have put this revenue at risk.

At the same time costs including wages are increasing at more than four per cent, while government funding is indexed at 3.8 per cent.

In these circumstances my own university, UNSW, could face accumulated operating losses of more than $80 million over the next three years. Other universities are in a similar situation.

Above anything else, vice-chancellors want to continue to deliver a high quality education for as many Australians as possible.

We aspire to exactly the same kind of future the government is imagining in aiming to educate 40 per cent of Australians to bachelor’s degree level by 2025. We understand the critical role of education and innovation in a knowledge economy and the dire risk to our national economic future if Australia’s universities fall behind.

But how do we pay for this radical expansion in higher education? Just keeping pace with the demand for new technology puts a huge strain on available resources. At UNSW we are engaged in a $60 million upgrade of our online student system and expect to spend more than $20 million on new learning and teaching technologies.

With current levels of funding inadequate and no sustainable funding model into the future, universities will inevitably face a detrimental blowout in staff-student ratios, delays in renewing ageing infrastructure and increased workload stress on our academics.

Given that research funding also fails to meet costs, our capacity for innovation and our international competitiveness can only be undermined.

So what some vice-chancellors are now suggesting is limited deregulation of undergraduate student fees. My proposal is that universities be able to charge a higher student contribution for selected “premium” degrees, such as medicine, law, engineering and business, which qualify graduates for well paid professional careers.

This is consistent with the values that have underpinned higher education since the introduction of HECS in 1989 - that as higher education confers not only a public but a private benefit, students should contribute to its cost. This proposal takes it one step further - the higher the potential private benefit, the higher the student contribution.

Remember that under HECS-HELP repayments are only made when a certain income threshold is reached, and are proportionate to income.

And equity measures, such as scholarships to cover living costs, would further protect students from lower socio-economic groups.

The Tertiary Education Minister, Chris Evans, says the “evidence is in” that higher fees would discourage students, particularly those from disadvantaged backgrounds, from accessing higher education.

I challenge that claim. The contribution made by students through the HECS-HELP system has steadily increased while participation rates have also been rising.

The recent Grattan Institute report found that prior school performance, not student charges, explains differences in higher education attainment and more specifically, that given HECS-HELP, people from lower socio-economic backgrounds are not deterred by tuition charges.

Australia’s mass higher education targets are laudable. Ours is a nation built on opportunity. But, without being privy to any Treasury modelling that may have been done, it is difficult to imagine how we can support such growth.

Last year, the government’s Base Funding Review noted that although the real value of the Commonwealth’s contribution per student has increased since 2003, it remains well below the 1994 level.

This long squeeze has, the review noted, resulted in significant productivity gains at universities, well in excess of national averages. Like the earlier Bradley report, it recommended higher funding per student, to improve quality and to protect national productivity and economic growth.

There is no fat left to trim. If fee deregulation isn’t the answer, then it’s time the government told us what is.

Professor Fred Hilmer is UNSW Vice-Chancellor and chairman of the Group of Eight. nationaltimes.com.au
The amount the federal government could save each year in a user-pays higher education system

The Grattan Institute think tank has called for university tuition fees to rise by 50 per cent for most students and federal subsidies to be cut, arguing that graduates get “substantial private benefits” from their degrees.
University student subsidies should be cut to help others, says report

SUBSIDIES for university students who stand to receive private gain from their higher education studies should be cut to help those who do not complete tertiary study, says a report released on Monday.

Andrew Norton, of the Grattan Institute, said the billions spent to subsidise higher education did not necessarily translate into wider public benefits.

“Graduates do well out of higher education,” Mr Norton said.

“Given these large benefits, and with the HELP student loan scheme in place, most students would take their courses regardless of the size of the subsidy.

“Tuition subsidies, therefore, merely redistribute income to students and graduates. The general public are worse off.”

The report says those studying more expensive courses that result in higher-income jobs got more personal benefits than those studying courses like nursing, education and agriculture, which resulted in lower-paying jobs.
McKim happy on VET

EDUCATION Minister Nick McKim yesterday said he was happy with work to implement reforms to public vocational education and training in Tasmania.

The recruitment process for the chief executive of the new public VET provider, TasTAFE, begins today.

Expressions of interest are also being sought for an interim chairman of the TasTAFE board.

“One of the first tasks of the interim chair will be to participate in the recruitment of the chief executive officer,” Mr McKim said.

Changes to vocational education and training were announced following a review of the VET system.

Mr McKim said subject to the passage of legislation through State Parliament, the new system would come into effect from July 1 next year.
Lecture focuses on food security and education

By Lindsay McNeill

FOOD security and the need for more young people to train for careers in agriculture were the focus of this year’s Muresk lecture.

The oration on July 26, organised by the C. Y. O’Connor Institute was attended by about 90 people and held in the main lecture theatre on the Muresk campus. It was the 21st in the series and the first since 2000. This year it was given by veterinarian with experience in a wide range of industries and a former Muresk academic, Senator Chris Back.

The title of his oration was Agriculture at the crossroads – what path for Muresk?

In his address, Senator Back said one billion people currently went to bed hungry and the situation would be many times worse by 2050 if current trends continued. “The world needs a green revolution like the one that averted mass starvation on the Indian sub-continent more than 40 years ago,” he said.

“And it needs to happen in the next 30 years.”

Agricultural universities had made possible the changes responsible for the first revolution. Intelligent, well trained agriculture graduates were needed to achieve the next.

“Muresk is integral to agriculture and agribusiness education and the future of agriculture in WA,” Senator Back said.

“It also has a role in providing other education opportunities for rural communities.”

He advocated that Muresk Institute be enshrined in an act of parliament under a board of management with local community and industry representation.

“It should be a multi-campus institution with a diverse offering drawing on the best expertise in the world,” he said.

In an address to a dinner after the lecture, C. Y. O’Connor Institute managing director John Scott said the under supply of agricultural graduates was a matter of national concern.

“The institute has the support of the Minister for Training to expand its offering to include delivery of higher education in the Wheatbelt,” Mr Scott said.

“The institute was also continuing talks with Curtin University about an associate degree in agribusiness for Muresk after the university withdrew its degree course at the end of this year.

“Learning by doing was an essential part of agricultural education and would be the point difference of any associate degree in agribusiness at Muresk.

“It was this approach that set the Muresk degree apart in the past and we will do our best to preserve what has become known as the Muresk experience.”
Community strongly supports our TAFE

ROSS MOIR

SOUTH West Institute of TAFE courses have been well supported by the south-west community in the second semester following changes required due to government budget cuts.

The institute has adjusted to a 2012 budget reduced by $2.9 million, resulting in the loss of 43 staff.

SW TAFE Portland campus manager David Stafford said enrolment had been very strong up until July, when the funding changes took effect.

While the jump in fees played a part in the strong early enrolments, Mr Stafford said the hard work of SW TAFE’s staff and the community support for the campus were the main reasons.

Mr Stafford said overall enrolment numbers were up 10 per cent on last year, with most of the growth in the area of maritime courses (up 20 per cent), aged care courses (up 5 per cent) and Victorian Certificate of Applied Learning (VCAL) enrolments (up 3 per cent).

“Next year will be difficult, but we hope to come up with a plan that will work,” Mr Stafford said.

“In developing the plan we’ll talk with industry and the community. We’re confident we’ll form a training plan that will service the needs of the Portland community.”

This plan will include training in engineering, VCAL, child services, automotive, accounting and Vocational Education and Training (VET) in schools.

Institute chief executive officer Joe Piper said the result was encouraging, following a call for community and industry support to ensure the institute’s immediate financial stability.

“After a very quick and difficult transition, our staff have rallied to ensure anyone who wants to study with us this year can do so in confidence,” Mr Piper said.

“I am very proud of the way the staff have continued to provide outstanding service.”

Mr Piper said the second phase of future planning was now underway, with the Board setting up a project group to oversee development of the state government’s requested Transition Plan.

The plan will be a blueprint to ensure viable TAFE programs meet the region’s training needs into the future. It will outline the programs and services the institute will provide throughout the region for the next three years.

The transition plan will be presented to government by September 7.