TEQSA hits back at uni critics

Joanna Mather

The higher education regulator has responded to rancour over red tape in an intensifying public row with vice-chancellors.

The Tertiary Education Quality and Standards Agency, the national regulator set up by the federal government this year to monitor tertiary education standards, has been heavily criticised by university chiefs since its inception in January.

But the agency has hit back at accusations of onerous reporting requirements and lengthy approval processes.

“TEQSA has worked hard to reduce the regulatory and reporting burden on providers,” a spokesman said in a statement.

He refuted claims by University of NSW vice-chancellor Fred Hilmer that approval for a new diploma took four months rather than weeks as it had done in the past, and that the university had to prove it had a library.

The diploma was in fact approved after 23 days, the statement said.

“We appreciate the chance to correct the record,” it said, adding that updated procedures meant providers such as UNSW did not have to demonstrate ownership of buildings, a library or teaching facilities.

Professor Hilmer called for a reworking of TEQSA during an address to the National Press Club last month, describing red tape as “oppressive”.

Earlier this year Group of Eight executive director Michael Gallagher accused the regulator of operating in breach of its own legislation, which requires that it not “excessively burden higher education providers when exercising its powers”. Universities would be within their rights to take the matter to court, he said in May.

Newly appointed University of Adelaide vice-chancellor Warren Bebbington has joined a growing list of critics. He told the Australian Financial Review that the heavy-handed scrutiny being applied by TEQSA would “make Stalin proud”.

“We understood this was to be light touch,” Professor Bebbington said. “But two weeks ago I was sent a list of 26 pages of headings of categories of data that they want to collect. Now, I said to [the chief commissioner], ‘I would have to delegate a team to fill all of this out’.”

Professor Bebbington said TEQSA should focus on high-risk areas, such as English language courses and third parties operating offshore in partnership with universities.

“A regulator ought to be focusing on fringe practices and high-risk [providers] and raising the minimum benchmark.”

Universities fall under the remit of a national regulator for the first time ever this year as part of the federal government’s attempt to clamp down on quality in the newly demand-driven system of student places.

The regulator’s establishment came after extensive discussions between the government and vice-chancellors. TEQSA combines the previously scattered regulatory and quality assurance functions of eight state agencies.

The first universities to undergo re-registration are due to submit their applications by 1 October.

They include Victoria, Murdoch, Monash and Flinders universities, along with the University of Technology, Sydney, the Australian National University and the University of the Sunshine Coast.

Queensland University of Technology chief Peter Coaldrake warned colleagues against withdrawing support for TEQSA.

“We should remind ourselves why we got into this position because of the issues that Australia was experiencing with Indian students, with unsatisfactory quasi regulation at state level that clearly wasn’t working,” he said.

“A different issue is whether people think it’s going too far. We’re at early stages, those issues can be worked through.”

A UNSW spokeswoman said the university stood behind its complaints. “While final approval may have taken 23 days, this was the second attempt by UNSW to get the course registered.

“The requirements were so complex and unclear, the first application took us weeks to prepare. The approval process prior to TEQSA was one to two weeks — 23 days is not good enough.

“We are still waiting on approval for a new graduate diploma that was submitted to the regulator 38 days ago. If TEQSA thinks that’s streamlining the process, we certainly don’t agree.”

KEY POINTS

- Vice-chancellors resent the extra layer of compliance required by Australia’s new education regulator
- TEQSA says it is working hard to reduce the reporting burden.
Industrial review wanting

The employer association representing the majority of universities says it is disappointed with the outcomes of an independent review of the Fair Work Act. The review found federal legislation was “working well” but Australian Higher Education Industrial Association executive director Stuart Andrews said it preserved the status quo on many matters of concern for universities.

“The panel did not take up [the association’s] suggestion that the existing legislative limitations on the subject-matter of Individual flexibility arrangement provisions in enterprise agreements should be removed,” he said. The association has accused the National Tertiary Education Union of denying employees the opportunity to negotiate conditions to suit their particular circumstances using individual flexibility agreements.
Leading higher education analyst Simon Marginson has blasted a Grattan Institute report which recommends withdrawing government tuition subsidies and allowing universities to raise fees. The economic assumptions contained in the report were “highly tendentious” and would be supported by very few policy experts internationally, Professor Marginson said.

“But I have no doubt the report will be influential, because its message is one that many in an incoming Liberal-National government, and some Treasury officers looking for possible spending reductions, will want to hear,” he said.

Grattan’s Graduate Winners report, released last Monday, gives Canberra further options for savings of $3 billion a year by cutting tuition subsidies for students by 50 per cent in some disciplines.

Universities would be allowed to raise fees to compensate for the revenue loss and students would not be put off by higher costs because there was no upfront tuition charge.

The report by fee marketeer Andrew Norton came on the back of fresh debate over fee deregulation prompted by University of NSW vice-chancellor Fred Hilmer, who said students in disciplines such as medicine, engineering and commerce should be charged more because of their high lifetime earning potential.

Professor Marginson, from the University of Melbourne’s Centre for the Study of Higher Education, said the report gifted future governments with a justification for cutting funding for universities while increasing pressure on the nation’s deferred loans scheme. Students already owe taxpayers $22 billion collectively under HECS-HELP, the income-contingent loans scheme which means students pay back their debt only once they earn $49,000. No interest is charged on the debts and Treasury picks up the tab.

“Increasing the public cost of HECS-HELP through non payment and through the interest rate subsidy will not hurt HECS initially but in the longer term will undermine fiscal policy support for an income-contingent loans approach to tuition,” Professor Marginson said.

The federal government appears concerned about deferred student debt. Labor lowered discounts for early and up-front student contribution payments of $500 or more in last year’s budget to save $479.5 million over four years.

While the Grattan report acknowledged that a highly educated population delivered benefits beyond higher taxes, such as through reduced crime and more volunteering, Professor Marginson said it failed to identify or capture the full extent of this public benefit. One US study estimated the non-market social benefit per graduate at $US27,726 a year, he said.

These benefits occurred through more efficient labour markets, faster and wider diffusion of new...
Grattan fee proposal sparks much opposition

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knowledge, higher economic growth, viable social networks and civic institutions, greater cultural tolerance and enhanced democracy.

"Arguably, [the Grattan report] has trivialised the notion of public benefit by picking thin, weak examples to measure and ignoring a very large literature of other studies," he said.

Labor ruled out fee rises and the Coalition has been non-committal on the report's findings.

Australian National University economist Bruce Chapman, who devised the HECS system, agreed the deferred loans scheme was under growing pressure.

But he said the Grattan report's assertion that there was some room for fee increases without a distortion of demand from poor students was valid. However, he does not think universities should be able to set their own fees.

"HECS was designed to be gentle and not to deter people," Professor Chapman said. "The better it is at that, the worse it is as a market instrument for price differentiation. That's the trade-off."

He agreed the Grattan report undervalued the public good generated by university graduates — one of the most vexed issues for specialists in the field globally.

He has estimated these spill-over benefits at $6000 to $10,000 in 2011 dollar terms for each year of an average university graduate experience.

"There has been 60 years of debate about the economic externalities of education, those benefits that are generated by education that are not captured by individual graduates," he said.

"Grattan has positioned itself on the far right of this debate, adopting the position that there are almost no social or collective benefits of higher education and an educated society that are not realised as benefits to individuals."
A blueprint for less access, more debt

Opinion
Caroline McMillen

Access to a high-quality university education is the key to a stronger Australian workforce, economy and society. In turn, these are all important contributors to establishing a stronger place for Australia in the world.

An accessible university education is essential to ensure that Australia in what has been called the Asian century becomes a beacon for innovation and competitiveness.

The proposals contained in the Grattan Institute's Graduate Winners report would jeopardise that future.

The report, which was made public last Monday, presents in measured language a reductive model that would present difficult choices for those with, for example, tolerance for a large lifetime debt.

The Norton model is more extreme than the new UK system, and this immediately produces heightened concerns. The Norton model would limit the capacity of Australia to build a productive and competitive economy.

Norton's analysis also largely ignores the various safeguards for protecting low socioeconomic status students for which the British education sector lobbied successfully during the development of the new fees system.

These include the government's Office for Fair Access, the increased salary threshold for fee repayments and the commitment to bursaries for students from the poorest households. Norton's view seems to be that a national salary threshold of $49,000 before repayments begin is a sufficient safeguard. The 2005 Callender and Jackson study published in the Journal of Social...
Policy, however, identified poorer students in the UK as being more debt-averse than their wealthier peers.

The Graduate Winners model assumes that every student will be willing to take on significantly greater debts than they now accumulate on the promise of higher earnings in future.

National participation rates in higher education for low SES students increased by 24 per cent between 2007 and 2011, and for indigenous Australians the increase was 26 per cent. It is not clear why shifting the long-term funding responsibilities for higher education from the state to the student will do anything but reverse this progress.

As a university with the highest number of enabling programs in the country and with proportions of low SES and indigenous undergraduates close to double the national average, we at Newcastle consider fair access measures to be non-negotiable in any discussion of fee deregulation.

Beyond the materiality of the proposed changes to higher education, the power of the symbolism in the reforms suggested in the Grattan report run counter to the principles on which Australia’s universities were founded.

To charge students the full cost of a degree sends a clear signal that Australia’s universities are the natural homes for only those who can afford to study, and implies that knowledge is only ever traded rather than shared.

It is time for a broader discussion based on the principles that a world-class university system and intergenerational mobility are both critical if we are to build our productivity and competitiveness on the world stage.

Caroline McMillen is the vice-chancellor of the University of Newcastle.

University of Newcastle’s Caroline McMillen: the Grattan model would harm the economy longer term.

Photo: MICHELE MOSSOP
TAFE at crossroads

Gordon TAFE is facing incredible difficulties adjusting to a huge budget cut, SHANE FOWLES reports

“WE'RE an economy in transition" is a popular catchcry among Geelong's civic and business leaders describing the search for emerging industries to support the city's traditional manufacturing base.

The institution that historically has been called on to drive the evolution, by reskilling Geelong’s retrenched and displaced workers, coincidentally finds itself at a similar crossroads.

Gordon TAFE is going through its own transformation, being forced to determine how many teaching and support jobs will have to go and what courses will be scrapped in next year's diminished budget.

Of the $300 million to be cut from the Victorian TAFE sector next year $14.6 million has been slashed from the Gordon's bottom line — more than 20 per cent of its total revenue.

The funding cuts are wide and deep — of the top 10 courses by enrolment numbers last year, all but two have had their subsidies reduced, with some by up to 50 per cent.

Through its 125-year history, Gordon TAFE has been at the forefront of responding to rapid economic change.

After World War II it helped returning Diggers re-enter society in the wake of a traumatic tour of duty, teaching them new skills so they could find meaningful work.

And when International Harvester closed its plant in 1982 the institution again set about retraining the 1200 sacked employees so they could enter another era.

Following job losses at key employers Ford, Alcoa and at Avalon — plus the myriad smaller businesses that don't create a public ripple — Geelong is entering another transitory phase.

However, this time, when it should be concentrating on its long-standing task, so is the Gordon. It has confirmed 16 voluntary redundancies and forecast more at the end of the month, before the “major decisions" about the institution are handed down in November.

BATTLE lines have been drawn; unions are driving community campaigns across the state, with belief growing that the major reforms could be election-defining.

"If not reversed soon, irreparable damage will be done,” National Tertiary Education Union Victorian secretary Colin Long said in Geelong this week.

“No government that has done this deserves to survive. Unions will be working very hard to ensure this Government won’t survive.”

While the Baillieu Government’s fingerprints are solely on next year’s Budget, the previous Labor administration is not escaping blame for its reforms in 2009.

Through the Victorian Training Guarantee, Labor opened up public funding to private providers, thrusting TAFE into a competitive marketplace.

New businesses flocked to access the taxpayers' purse, leading enrolments in the for-profit arm of training to explode.

"Some of them were needed, some excessive and some of very poor quality,” Victorian TAFE Association executive director David Williams said.

From 2008-2011, student numbers grew four-fold in the private sphere, while they rose just 5 per cent at TAFE.

In the Barwon South West region, the numbers are even higher — the 491 per cent spike in people accessing private providers is the largest in the state.

The strength of the Gordon saw it buck the wider TAFE trend, posting a 32 per cent growth.

However, overall TAFE’s market share went from more than 70 per cent to a low of 45 per cent in March this year.

Stakeholders, including the Victorian TAFE Association, warned the practice was unsustainable. Higher Education Minister Peter Hall agrees, saying the new reforms were designed to save the system from collapse.

While the Coalition claims spending in vocational training has been “stabilised" at about $1.2 billion a year, critics say it has deliberately targeted TAFE by cutting its full-service provider funding.

“TAFE training didn’t blow out, but that’s where the majority of cuts are aimed,” Mr Williams said.

“Ultimately it means many courses won’t run in the future.”

Whether by design or bad luck, the biggest funding cuts are to courses heavily favoured by women. These include business administration, hospitality, retail, sport and recreation.

THE Gordon is preparing a business case for its move to the new funding model, arguing that Geelong has three key areas of special need that deserve consideration. These include its role in tackling social disadvantage, exemplified by its role in the Northern Futures project, which aims to help 300 long-term unemployed people gain jobs within three years.

The TAFE also wants to arrest the region’s low education attainment levels — recognised as a barrier to regenerating our economy.

The main point is the region’s changing economy, which will see workers in declining industries needing retraining and new skills to move into new fields.

"It is not a gentle transition," CEO Grant Sutherland told a Geelong West forum this week.

He was talking about wider Geelong, but it equally applies to his institution’s own journey.

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The Gordon has been part of Geelong for 125 years. This photo was taken in 1905.

"It is not a gentle transition"
— CEO Grant Sutherland