Universities’ future: sell real estate, go digital

The Asian Century white paper could end like most white papers. Or it could be an engine of real change away from government driven industry towards an array of creative and competitive structures.

The key is independent, internationally focused financing and unbundling of bureaucracies.

In particular we should be focusing on creating a vibrant education industry that is focused on core competencies of students, and strategic niches of knowledge, embracing the new digital world.

This could be built around a diversity of funding sources; a demand-driven system that responds to the aspirations and choices of individuals, via scholarships and educational loans to students with abilities and disabilities, across age and background.

Many university campuses around Australia occupy prime city real estate. To quote explorer Hernando de Soto, these are “dead assets”, especially in the digital age. Selective sale of this real estate, while retaining strategic places, could finance elements of decentralisation of information and educational institutions. Working together our current universities could cooperatively and competitively seek these quality outcomes.

By allowing educational unbundling and public-private-partnerships facilitated by current owners, usually state governments, as part of the financing and quality control package, we can have “bottom up” drivers replace “top down” control that can kill creativity.

Bringing in world-class universities, their courses, teachers and research institutes to the partnerships as part owner-manager faculties, as is already starting to happen. But with designs on most Australian-based institutions becoming world class because of the new open and competitive structure.

Breaking from Canberra control. Or what Max Corden famously labelled the “Moscow on the Molonglo model of tertiary education” that has bedevilled us for so long, a reference to the management quality of a largely redundant federal department.

The domestic financing component of the intellectual energy sector could be financed internationally like the electrical energy sector under the Victorian government headed by Jeff Kennett and his treasurer, Alan Stockdale.

Their set of researched reforms armed the government with $40 billion of cash for purposes other than owning electricity generators, the proper domain of specialist corporations. The analogy is powerful.

With the generation, distribution and transmission of knowledge and education treated to competitive, global and cooperative resources, we could join and in many ways lead the transformation and distribution of knowledge in the digital age — and tune our institutions free of locational hang-ups.

The management process of our universities could at last be separate from government, as with the better universities in the US and the UK.

Governments could join benefactors at home and abroad in tailoring our educational, residential and vocational experiences to what is sought by those paying in cash, kind or scholarships, or those needing special skills in their firms, industries and families.

Government financing of students whether via scholarships, HECS loans, investments from foreign governments and universities according to national taxpayer funded choices, would mean the funding of facilities indirectly.

But those buildings, residences, part businesses, retreats, camps or universities afloat would now have the character of a chosen premise, a preferred option, not the result of a score, a tick and a bureaucrat’s allocation or centralised building acquisition.

True, the residential process, the tutorial and the face-to-face Socratic dimensions of education are essential and could be funded as asset disposal starts. And as courses are increasingly satisfying to students, teachers and employers, and as we rely more on preferences than quotas, caps and rules.

The information transmission process itself, including the digital revolution, is already on, but our universities are bogged down with “dead capital” and all too lively bureaucracies. How some of our asset-rich educational institutions...
should respond is far from clear in the white paper or other policy papers, such as the Bradley and Lomax-Smith reports.

In any case, we do not want government to be prescriptive, but facilitating. We do want to free capital tied up in land and buildings, and have the capital managed by dynamic decentralised leaderships. One model could be a public-private-partnership of a Victorian, Chinese and US university, with a local equity contribution financed by asset sales of non-key assets of a Victorian uni.

This suggested deregulatory move could achieve higher productivity and creativity for the education sector and be a digital game changer. Funding from taxpayers will not cease, but could be more modest and towards student scholarships and research grants, not institutions. While loan arrangements such as HECS make sense, and could extend to knowledge acquisition throughout life, the financing options should also draw on other restructures and reforms that have worked elsewhere.

Intellectual energy should no more be confined to government capital structures than should energy, irrigation or manufacturing choices. Our capital base should be made to work for us, not tie up resources. Universities should be the hospitable “firepower” stations of the information age.

One way to achieve this would for state owners of universities to invite university boards and vice-chancellors to package partnerships, international residential experience, work experience and research programs to deliver lower cost, higher quality educational outcomes. In the Asian Century, but with Europe and the Americas also keen to work alongside us, the time is now right to take Australia’s education sector back upmarket.

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Tassie wins two training awards

TASMANIA has taken out two major awards at the 2012 Australian Training Awards, presented in Melbourne.

North-West-based teacher Fiona French won the Vocational Education and Training Teacher of the Year award, and local construction and telecommunications company Comstar Systems was named Small Employer of the Year.

The awards, hosted by the Federal Department of Industry, Innovation, Science, Research and Tertiary Education, are considered the peak awards for the vocational training sector.
Twins prosper as Smith Family celebrate milestone

Bethany Hiatt

When twins Sheena and Sharna Trigg started primary school, they had to share their meagre supply of pencils and books or borrow from friends.

A teacher who noticed their single mother was struggling with schooling costs put her in touch with charity The Smith Family, which helps disadvantaged children get an education. More than a decade of support allowed the twins to immerse themselves in school and gave them confidence to tackle tertiary education.

Sharna, 18, is finishing her first year in archaeology at the University of WA and Sheena is doing science, specialising in forensic biology and toxicology, at Murdoch University. Grateful for the chances they have been given, the sisters will compere a fundraising event at Government House tomorrow night to celebrate The Smith Family’s 90th birthday nationally and 11 years in WA.

They said the charity’s support meant they could afford the uniform and boots when they were selected for the girls’ soccer team at Swan View Senior High.

They were able to buy a trombone and a flute when they joined school music ensembles and buy leavers’ jackets.

“It definitely opened doors for uni, because we knew they’d be there to help us out,” Sharna said.

“They don’t just do the financial side, they do support and advice as well,” Sheena said.

The Smith Family WA manager Greg Ryan-Gadsden said the charity supported 3000 needy children in WA, but hoped to double its reach in the next five years. Tickets to the 90th birthday fundraiser are $65.

For details, call 9265 5555.
FED: Snoozing through the only show in town

By Don Woolford
CANBERRA, Nov 19 AAP - “Just because there are more journalists ... don't show off,” Stephen Conroy shouted across the Senate during question time on Monday.

There were indeed more journalists - nine rather than the usual one. That's because this week the upper house, the unrepresentative swill of Paul Keating's cruel and not entirely accurate jibe, is the only parliamentary show in town.

And so the spotlight fell on political lions like the two Senate major party leaders, Chris Evans and Eric Abetz.

It would be nice to report they rose to the occasion.
But Evans' main contribution was to woodenly read a prepared answer about the royal commission into child abuse. Abetz confined himself to interjections, which earned him a sharp “doesn't know what he's talking about ... doesn't understand statistics” from Penny Wong.

On the other hand, it was a little more civilised than the house of the people, though that's coming off a very low base. And it may just be that a chamber of 76, all else equal, will only make half as much noise as one of 150.

Conroy and George Brandis gamely tried to do the decibel work of many, exchanging a series of long and loud pleasantries across the chamber that drowned out Joe Ludwig, one of several ministers who had to field questions about their own portfolios as well as those held by lower house ministers.

The Senate gives each questioner two supplementary questions, thus allowing some degree of cross examination.

Alas, that doesn't always lead to more informative answers.

Ludwig, for example, was as blatant as anyone in the House of Representatives when it came to ducking and weaving - in his case about the second Kyoto commitment period.

His inquisitor, Simon Birmingham, appealed in vain for a straight answer.
And Conroy was as triumphalist as any Reps minister when boasting about the national broadband network roll-out.

Unlike the lower house, there was no theme, with every question different. The opposition asked about childcare costs, the disappearing mining tax, Kyoto and homelessness. The Greens wanted to know about the endangered Tasmanian Tarkine and the live cattle trade.

Also unlike the Reps, there was no obsession with Tony Abbott. In fact, the opposition leader wasn't mentioned.

The government took the odd swipe at their opponent, with Kim Carr sneering that its latest childcare policy was to have an inquiry to see if it needed a new policy.

But there was none of the nasty personal stuff.

AAP dw/klm/bec/was
FED: Education flaws could cost $1.5t: report

SYDNEY, Nov 19 AAP - More than $1 trillion could be lost to the Australian economy in the next 80 years if education improvements are not made now, a new report warns.

The analysis by PricewaterhouseCoopers (PwC), released on Monday, says that Australia has lost its reputation for high education performance levels in the past decade.

The report states that there is currently a good system of primary and secondary education, but "good is not great".

It says leaving things as they are "imposes opportunity costs on Australia".

If the present trend continues, the overall productivity costs to be borne by the nation between now and 2092 would be $1.5 trillion, according to PwC.

School Education Minister Peter Garrett says the nation cannot afford to do nothing.

"Australia's total economic output is currently about $1.5 trillion per year," he said.

"This PwC analysis tells us that if we improve our schools to be competitive with those of world leader Finland, that over the life of a child born this year, our plan would generate an extra $3.6 trillion for the national economy."

The PwC report says Australia's ranking in international education tables has slipped because other countries have lifted their game while Australian students' proficiency levels have fallen.

"This is a strong reminder that the National Plan for School Improvement really is a once-in-a-lifetime opportunity to ensure Australia can continue to win the economic race by winning the education race," said Mr Garrett.

Angelo Gavrielatos, federal president of the Australian Education Union, said the report reiterated the message from the Gonski report that action had to be taken.

"Inaction is clearly not an option. If we're serious about our future productivity and prosperity we need funding reform," he said.

He called on politicians to get behind the reform "and allow every child to reach his or her full potential".

AAP It/af/jl/de
FED: Sharing stories may help abuse victims

CANBERRA, Nov 19 AAP - Some victims of child sexual abuse may benefit from sharing their stories with a planned royal commission, cabinet minister Chris Evans has told parliament.

Prime Minister Julia Gillard last week announced a national royal commission to investigate how child sex abuse allegations have been handled by religious, social and state institutions.

Senator Evans said stories of such abuse were heartbreaking.

"Individual submissions and stories will be a necessary part of understanding of what has gone wrong in the past," he told the Senate on Monday.

"In addition, it may be that sharing these stories will be helpful for some survivors of child sexual abuse."

Senator Evans said all individuals and organisations would have ample opportunity to provide input to the commission.

A call centre established on Friday already had logged 170 calls.

It was placing names and contact details in a register that would be provided to the commission's secretariat, Senator Evans said.

The commission is expected to begin early in 2013.

AAP el/rl/ji
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