NSW: TAFE reform will undermine sector: NSW ALP

SYDNEY, Oct 23 AAP - NSW government moves to cut funding from TAFE courses not included on a skills list and to introduce competition with private colleges will undermine the sector, the opposition says. TAFE courses that don't fill skills shortages and directly lead to jobs will no longer receive state funding, under the Smart and Skilled reforms announced by NSW Education Minister Adrian Piccoli on Tuesday.

From 2014, students will be able to choose a subsidised place in a skills list course at TAFE or a private college, a move Mr Piccoli says will increase competition and choice. But opposition education spokeswoman Carmel Tebbutt said with TAFE already having to bear the loss of 800 staff the reforms would make it hard for it to compete with private colleges. "It is not a level playing field," Ms Tebbutt told reporters on Tuesday.

She said TAFE provided essential training for many industries and was particularly important in rural and regional NSW. "I think those roles will be undermined by the government's announcement," she said.

Remodelling the TAFE funding system in Victoria led to a blowout in student fees and TAFE in NSW could suffer the same fate, Greens NSW MP John Kaye warned. "The losers will be the students who will end up with less education and fewer skills," Dr Kaye said in a statement.

The Community and Public Sector Union (CPSU) said forced competition would not improve educational standards. "New guidelines for course funding will not increase vocational training for all, it will create 'winners' and 'losers' among students and reduce high-quality education options," CPSU NSW secretary John Cahill said.

The NSW Business Chamber, a strong supporter of greater competition, welcomed the reforms. "A competitive and fairer playing field between TAFE and private education providers is a framework for better training and qualification outcomes," NSW Business Chamber chief Stephen Cartwright said in a statement.

AAP ab/tjm/jjs/mm/
Minister slams unis’ ‘elitist’ view

No jobs will be lost, says Canberra

By BIANCA HALL
EDUCATION CORRESPONDENT

TERTIARY Education Minister Chris Evans has hit back at Australia's top research universities, saying their criticism of $499 million in research funding cuts was baseless and reflected "an elitist view of the world".

On Monday, the government announced it would "save" $499 million in university research funding by freezing funding for Sustainable Research Excellence grants at current levels for the next four years. SRE grants support the indirect costs of research, such as administrative, equipment and staffing costs not covered by research grants.

The government will find a further $500 million in higher education savings by cutting or freezing other programs.

The Group of Eight, which represents Australia’s elite research universities, reacted savagely to the news, saying the "ill-conceived" decision would lead to about 1450 jobs being lost across the country.

And chairman Fred Hilmer said the funding freeze would "adversely impact" Australia’s economic performance.

"These short-sighted decisions will have adverse long-term consequences for Australia’s performance internationally in research, and will also adversely impact on Australia’s economic capacity and make our universities less attractive to international students and researchers."

The University of Melbourne’s deputy-vice chancellor of research, Jim McCluskey, said the university would lose between $90 million and $100 million in funding over four years, and would have to abandon plans to hire 200 people.

The University of Melbourne, and the University of New South Wales — at which Professor Hilmer is vice-chancellor — are members of the Group of Eight.

But Senator Evans told The Age he was disappointed by the Group of Eight’s reaction to the funding freeze.

"Saying that a repahsing of the growth of SREs is a blow to research is just wrong," he said.

He saved particular criticism for Professor Hilmer, who said on Monday that the funding freeze, in combination with university places being uncapped, would denigrate quality teaching and research.

Senator Evans said this was baseless and reflected an "elitist view of the world".

He maintained that the government would not resile from its commitment to make higher education available to all students, regardless of their background.

"I just think it's not right to somehow suggest there'll be job losses. There is no reason why a business like a university should be in a position where there are any impacts from this."

Senator Evans said the Group of Eight universities had enjoyed a 53 per cent boost in funding under Labor, while the University of NSW had been boosted by more than 70 per cent.

"They are getting enormous increased streams of funding across the board and one small part of this funding stream, the SREs, has had its growth rephased."

But Group of Eight director of research Ian McMahon said yesterday the announcement would affect universities’ ability to plan for research projects.

"This money has been promised for some time and has very much been part of university planning," Dr McMahon said.
Stop grumbling about tax, we all benefit along the way

ROSS GITTINS

LISTENING to all the argy-bargy over the budget update makes you think — what strange things budgets are. The government spends all this money — hundreds of billions a year — but where does it come from? From us, of course. The politicians use the budget to take money from us with one hand then give it back with the other.

They have one set of public servants to take our money from us and another to give it back. What's the point of all this churning? Wouldn't it be a lot simpler and cheaper to have lower taxes and lower spending?

If we each got back pretty much what we put in, it would indeed be a pointless, wasteful exercise. In reality, high-income earners put in a lot more than they get back, whereas low-income earners receive a lot more than they pay in taxes. But even that doesn't adequately describe the rearranging brought about by the budget.

Every six years the Bureau of Statistics conducts a study where, using several of its surveys, it takes all the taxation we pay — federal and state — and attempts to attribute it to different classes of household. It does the same for all federal and state government spending.

Of course, not all the taxes we pay can be attributed to households — company tax, for instance. Similarly, not all government spending can be attributed — spending on defence or roads, for instance.

In the latest study, for 2009-10, it managed to attribute $194 billion, or 62 per cent, of total government revenue and $234 billion, or 51 per cent, of total government spending.

Remember Shakespeare's seven stages of man? The study divides Australia's 9.8 million households into 10 main life-cycle stages. Whether your household is a net payer or net recipient depends heavily on where you are in the life cycle. We'll limit ourselves to six stages.

Most people start their working lives as single and under 35. On average, people in this category pay $226 a week in income tax and $196 in other taxes. They get back virtually nothing in cash benefits ($12), but $136 of benefits in kind, mainly healthcare and tertiary education. So, on average, young childless couples pay no less than $432 a week more in taxes than they get back in benefits.

Once children start arriving, however, the tables turn. Some what older couples with dependent children, the eldest of which is aged between five and 14, pay more income tax ($454) and a bit more indirect tax at $227 (sign of a more frugal lifestyle). Cash benefits jump to $133 a week (mainly family tax benefit) and benefits in kind leap to $608 a week (mainly school education, but also a lot more healthcare and a bit of childcare subsidy). So, on average, couples with a child or two get back $60 a week more than they put in.

Our tax system shows we live in a fairly caring and civilised society.

Vices tax and various excises. They get back very little in cash benefits ($28 a week) and not a lot more in benefits in kind, $80 a week, mainly healthcare plus a bit of public spending on tertiary education. So, on average, younger singles pay $233 a week more in taxes than they get back in benefits.

The next typical life stage is being young (under 35) and married, before children start coming along. Households in this category — where both partners are likely to be working — pay an average $384 a week in income tax and $196 in other taxes. They get back virtually nothing in cash benefits ($12), but $136 of benefits in kind, mainly healthcare and tertiary education. So, on average, young childless couples pay no less than $432 a week more in taxes than they get back in benefits.

The budget acts as a giant, multi-faceted mutual support scheme.
They think they’re paying a lot of tax but, in truth, they’re getting a net subsidy from other taxpayers.

Once the children grow up, however, the tables turn again. Couples with non-dependent children average $604 a week in taxes. Against this, they get cash benefits of $176 and benefits in kind (overwhelmingly healthcare) of $328.

So, on average, older working couples revert to paying more in taxes than they get back, to the tune of $100 a week.

We’ve reached the last two stages of life: couples 65 and over, then single people 65 and over. On average, largely retired couples pay next to nothing in income tax and a bit in indirect taxes, totalling $168 a week.

Against that, they get cash benefits of $378 (mainly the age pension) and benefits in kind (mainly healthcare) of $481.

So, on average, retired couples get back $691 a week more than they pay. For surviving single retirees it’s a net gain of $475 a week.

See what all this proves? As well as redistributing income from rich to poor, the budget acts as a giant, multi-faceted mutual support scheme. At some points in your life you’re a net contributor, at others a net recipient.

The system requires those without dependents to subsidise those with, particularly when the little blighters need educating. It requires the well to subsidise the sick. It requires those who work to subsidise those too old to work.

I think it’s a good system, a sign we live in a reasonably caring, civilised society, where those in need get supported by the rest of us. It’s a reason we should pay our taxes with a lot less grumbling. The pity is, the system’s so complex and convoluted it’s not until you see a special study such as this that you realise how it works — it’s inbuilt fairness and solidarity.

Something to think about next time you’re tempted to justify a demand on government because you’ve “paid taxes all my life”. You’ve also been benefiting all your life.

Ross Gittins is a senior columnist.
The Australian university model will not survive the next 15 years, Ernst & Young says. “We’ve seen fundamental structural changes to industries including media, retail and entertainment in recent years — higher education is next,” said the author of the report on higher education Justin Bokor, executive director in Ernst & Young’s education practice. “There’s not a single Australian university that can survive to 2025 with its current business model.”

The report, whose research included interviews with 15 vice-chancellors, says there are a number of “mega-trends” driving change. Universities are no longer the gatekeepers of knowledge which is now available to anybody connected to the internet. Funding for universities is becoming far more competitive as government comes under fiscal pressure and digital technology is transforming the way education is delivered and supported. Global mobility means a few global university brands will emerge.
Tertiary Education Minister Chris Evans has hit back at Australia’s top research universities, saying their criticism of $499 million in funding cuts is “baseless” and reflects “an elitist view of the world”.

On Monday, the government announced it would “save” $499 million in university research funding by freezing Sustainable Research Excellence grants at current levels for the next four years.

SRE grants support “indirect” costs of research, such as administrative, equipment and staffing costs not covered by research grants.

The government will find a further $500 million in higher education savings by cutting or freezing other programs.

The Group of Eight, which represents Australia’s elite research universities, reacted angrily, saying the “ill-conceived” decision would lead to about 1450 jobs being lost across the country. Chairman Fred Hilmer said the funding freeze would “have adverse long-term consequences for Australia’s performance internationally in research” and “adversely impact on Australia’s economic capacity and make our universities less attractive to international students and researchers”.

University of Melbourne deputy vice-chancellor of research Jim McCluskey said the university would lose between $90 million and $100 million in funding over four years and would have to abandon plans to hire 200 people. But Senator Evans said he was disappointed by the Group of Eight’s reaction to the funding freeze.

“Saying that a re-phasing of the growth of SREs is a blow to research is just wrong,” he said.

He saved particular criticism for Professor Hilmer, who said on Monday that the freeze, in combination with university places being uncapped, would degrade quality teaching and research.

Senator Evans said this was “baseless” and reflected an “elitist view of the world”. He maintained the government would not rescind from its commitment to make higher education available to all students, regardless of their background.

“I just think it’s not right to somehow suggest there will be job losses,” he said. “There is no reason why a business like a university should be in a position where there are any impacts from this.”

Senator Evans said Group of Eight universities had enjoyed a 53 per cent increase in funding under Labor, with the University of New South Wales boosted by more than 70 per cent. “They are getting enormous increased streams of funding across the board and one small part of this funding stream, the SREs, has had its growth re-phased,” he said.

But Group of Eight director of research Ian McMahon said yesterday the announcement would affect universities’ ability to plan for research projects.

“This money has been promised for some time and has very much been part of university planning,” Dr McMahon said.
Swan hiding $2.4b in education funding cuts, Coalition says

Wayne Swan said a table showing an apparent $3.5 billion drop in education spending over four years was an accounting figure reflecting the difference in bond rates and inflation on HECS loans provided by the government and was not a cash item.

The Minister for School Education Peter Garrett’s office claimed $1.1 billion in savings over four years was due to changes to the indexation of payments based on the states’ own budget cuts to education which in NSW amounted to $1.7 billion.

A further $305 million would be saved by “re-phasing” trade training centres in schools.

“There have been no cuts to school education. The Gillard government’s commitment to education is clear, in 2012-13 the Gillard government will spend $29 billion on education compared to $18 billion in the last year of the Liberal government that’s a 61 per cent increase,” he said.

But the Coalition’s Christopher Pyne accused the government of being confused by its own figures.

“Labor can never lecture anyone on cuts to education. A month ago they were saying the sky would fall in if there were cuts to education in NSW and Queensland while they were planning on shredding education spending themselves,” Mr Pyne said.

“Cuts to the education budget of $2.4 billion will be felt in every school, trade training centre and tertiary institution in the country.”

Treasurer Swan yesterday also defended the cuts to the $5000 baby bonus for second children, claiming the government had to fix its own finances to safeguard the family budget and leave room for the reserve to lower interest rates.

“(Past) rate cuts mean a family with a $300,000 mortgage is now paying $4500 less on their mortgage than when we were elected. That’s very real help for families under cost of living pressures,” Mr Swan said.
Coalition may back cuts with eye ahead

THE Coalition is likely to pass most of the controversial measures contained in this week's mid-year budget update with Liberal MPs arguing it will make their job of balancing the budget easier should they win government.

Publicly yesterday, the Opposition Leader, Tony Abbott, and his senior shadow ministers decried the budget cuts variously as “vicious and savage” and an attack on families, but behind the scenes MPs believed most, if not all, of the cuts would be passed once they came before Parliament next year.

“We won’t fight it because we need the savings as well,” one of several MPs canvassed by the Herald said yesterday. “We don’t want to argue too hard against savings,” another said.

The Treasurer, Wayne Swan, said if the Coalition blocked a return to the forecast $1.1 billion surplus, it would lessen the opportunity for the Reserve Bank to cut interest rates.

Mr Abbott derailed his own attack on $16.4 billion in cuts and frustrated colleagues when he made what was perceived as a pejorative reference to Julia Gillard’s childless status before later offering a heavily qualified apology.

When criticising the $466 million savings measure that would reduce the baby bonus from $5000 to $3000 for the second child and subsequent children, Mr Abbott challenged Labor’s assertion that a second child was cheaper because another cot and pram was not needed.

“If the government was a bit more experienced in this area, they wouldn’t come out with glib lines like that,” he said.

The remark, which was reported internationally on news websites, came after Ms Gillard’s attack on Mr Abbott as a sexist and misogynist, and a day after the latest Herald/Nielsen poll found 42 per cent of voters regarded him as sexist.

Mr Abbott said Labor was “hyperventilating”.

“If she wants to take offence of course I’m sorry about that. And if she would like me to say sorry, I’m sorry,” he said.

The most contentious measures in the midyear budget included $1.1 billion in cuts to the 30 per cent private health insurance rebate, the paring back of the baby bonus, and an accounting change that will bring forward $8.3 billion in company tax revenue by requiring the tax to be paid monthly instead of quarterly.

The higher education sector was hit by more than $1 billion, which included the freezing of $500 million in research grants.

Legislation for many of the measures, including the baby bonus and company tax changes, both of which begin in July, will not be needed until next year.
‘OVERHAUL OR PERISH’

Only elite to survive slump in uni funds

JULIE HARE

HIGHER EDUCATION EDITOR

ONLY elite, research-intensive universities with global brands will exist in their current form in 15 years, while the rest will be forced to rethink their business models as decreasing government funding, increased competition and online technologies reshape the higher education landscape.

Second-tier public universities will be forced to close, recreate themselves as niche operators or forge public-private hybrids that carve up how content and teaching is created and delivered.

The predictions are contained in a report from consultancy firm Ernst & Young, to be released today, which warns that, on current trends, universities around the world can expect significantly less government funding.

The search for new revenue streams, combined with increasing competition, sophisticated technologies, universal access to higher education and industry involvement will drive new streamlined business models unlike the large comprehensive universities of today.

“The next 10 to 15 years, the current public university model in Australia will prove unviable in all but a few cases,” says the report, University of the Future.

“Universities should critically assess the viability of their current business model, develop a vision of what a future model might look like and develop a broad transition plan.”

Lead author Justin Bokor said tension was emerging as declining government revenues combined with policies driving increases in the number of people holding a degree.

“Governments have a critical interest in the sector because we are not going to dig dirt out of the ground for the next 20 years at the same prices we’ve seen in the last two,” Mr Bokor said.

“If we seek to become a high-performing knowledge economy, then this sector counts.”

The report targets inefficiencies in traditional universities, such as more administrative than teaching staff, two-semester years leaving teaching facilities idle for 26 weeks a year, massive infrastructure costs and the requirement for teachers to be research-active.

Its release comes a week after Coalition policy-broker Andrew Robb told a seminar in Brisbane that “strangling red tape” and a “one-size-fits-all approach” to universities were preventing Australian institutions from capitalising on extraordinary demographic change in the Asia-Pacific, which would greatly increase demand for higher education.

Mr Robb and the Ernst & Young report say exploding enrolments in massive online open courses, or MOOCs, and increased demand for tertiary degrees globally point to the need for Australian institutions to broaden their scope in how and where they teach.

Mr Bokor said government were unlikely to push universities to create new business models.

“It is those universities that see the challenges, the tight financial conditions and the increasing competition that will evolve,” Mr Bokor said. “Those that don’t will run out of money. They will either be taken there by the market or they will fail.”

Continued on Page 4
Only the elite universities are predicted to survive

Continued from Page 1

At the same time, the private sector, unencumbered by cultural baggage and inefficiencies, will find ways to deliver services and “carve up the value chain”.

Fred Hilmer, vice-chancellor of the University of NSW, said he doubted whether universities would change as fast or as dramatically as the report implied.

“To say that school leavers (in Australia) are going to get theirATAR, get a place at university and then go upstairs and log on is not going to happen,” Professor Hilmer said.

“The social side of university, especially for undergraduates, is a vital part of growing up.”

The report suggests three possible future scenarios as technology, competition and funding cuts sweep the sector.

The first is a more streamlined, efficient version of the status quo.

The second, dubbed the niche dominators model, posits that, with the exception of the elite universities, will be forced to rid themselves of under-performing teaching and research areas and specialise in small target markets.

The third scenario is the transformer model in which “private providers and new entrants carve out positions in the traditional sector and also create new markets that merge with higher education”.

“Google, Apple and companies in immediate technologies will find ways to create and extract value from higher education,” Mr Bokor said.

“It might be distributing content or adding it. They won’t necessarily play across the entire gamut, but carve out areas they can specialise in.”

Mr Bokor said the successful universities would be those that saw the value in partnering with a variety of private companies that offered services in content creation, distribution and aggregation.

Belinda Robinson, chief executive of peak group Universities Australia, said the sector was more resilient than the report supposed. “Universities have been around since the ninth century and survived any number of catastrophic changes,” she said.

“The challenge will be to ensure we have the policy, regulatory and funding frameworks in place to enable each and every institution to find their place of best fit in this brand new world.”

Vicki Thomson, the executive director of the Australian Technology Network, which represents several “technology’ universities, described the report as a “wake-up call”.

“We need a sector that is more integrated into the community and by virtue of that the economy,” she said.

Conor King, the executive director of the Innovative Research Universities Group, said the new report included “interesting” analysis about the changes, but he dismissed what he described as “apocalyptical” comments.
Crossbench unhappy with cuts made to serve surplus

INDEPENDENTS

SID MAHER
POLITICAL CORRESPONDENT

THE fate of Wayne Swan’s surplus will rest with Tony Abbott after the Greens and key independents Andrew Wilkie and Rob Oakeshott questioned the need to return to surplus this year and attacked the proposed cuts to higher education, research and training.

The Opposition Leader said of the cuts yesterday that “we don’t like them”, but the Coalition would make a decision once the relevant legislation came to parliament.

The key crossbenchers warned that cuts to education, training and research funding were not in the national interest.

But the Treasurer, in a direct warning to his opposition counterpart Joe Hockey and the independents, said the savings were needed to produce interest rate relief and provide the maximum room for the Reserve Bank of Australia to further cut official interest rates.

“I find it very strange that Mr Hockey would be out there opposing savings measures, because it’s very important for interest rate relief and very important for future growth of our economy that we have a good, strong fiscal policy,” Mr Swan said.

A day after the release of the mid-year economic and fiscal outlook, the government was forced to defend its company tax changes — forcing big corporations to pay monthly rather than quarterly — against accusations it was simply an accounting trick that would cause an $8.3bn cash-flow crunch to business.

The opposition released an analysis suggesting the real state of the federal budget for 2012-13 would actually be a $14bn deficit, if it took into account $8bn in funds shuffled to different financial years; off-budget spending of $4.7bn on the National Broadband Network; special dividends from Medibank Private and the RBA; and accounting changes to the treatment of the Future Fund.

Julia Gillard said the MYEFO was the “right economic statement for the Australian economy” and predicted eventual opposition support for the savings measures.

“Our experience in the past has been, even though they’ve been negative until they were blue in the face, then they’ve come into the parliament and they’ve backed the government’s legislation.”

Tasmanian independent Andrew Wilkie said he was unimpressed by the government’s fascination with a budget surplus.

“It’s obviously politically motivated and not in the public interest, especially given the global and national economic situation,” he said. “While I will take time to examine all of the detail, I can say already that the decisions to cut research and trade training funding are ill-considered.

“And the decision to hit all people paying for private health insurance is a particularly galling attack on the poor.”

Greens MP Adam Bandt said Labor’s surplus was built on the back of cuts to payments to single parents and research cuts.

“For our economy to survive and thrive once the mining boom is over, we are going to be reliant on research and development in science and maths in this country,” he said. “The half-a-billion-dollar cut we’ve seen to university research funding is not only unjustified, it’s a false economy and its going to cost jobs.”

NSW independent Rob Oakeshott said he could not understand why the government was cutting in education, where its agenda was one of its political strong suits.

Mr Oakeshott, who has opposed higher education cuts, said he had spoken to Greens leader Christine Milne about the proposed research cuts and they were also “on the same page there”.

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A windswept Wayne Swan makes his way to a media conference in Darling Harbour, Sydney
A revived commission could build on Liberal precedent and Labor regulation

GREG CRAVEN
GLYN DAVIS

GOVERNANCE is not a sexy topic, unless it involves cabinet ministers and whips. But, as any entrepreneur knows, it provides the settings for success.

Universities worry constantly about their internal governance. They host senates, councils and chancellors. Yet we rarely think about governance of the sector as a whole. We should. Higher education is a productivity multiplier. Get the settings right and the benefits flow to everyone. Good corporate governance balances entrepreneurship and risk.

Universities do ideas. They like diversity and innovation. The right settings create choice for students and industry. Get the rules wrong, however, and you have the academic equivalent of a parrot cage floor: chaos, crumble and excrement.

It is hard to discern intelligent design in the way university system rules have developed through the years. The sector is caught between states and territories, which own universities without funding them, and a commonwealth holding the purse strings.

With dollars come regulation, politics and dependence. Canberra wants value for money. Commonwealth regulations promote uniformity across the sector. If you have them by the wallet, hearts and minds surely follow. For decades, Australian governments have dictated higher education politics, brilliantly or badly.

Critically, universities have come to see the commonwealth not only as paymaster but master. When you are indigent and mendicant, it is hard to remember you are a vital component of civic society. This dependence on the commonwealth is complicated by an alphabet soup of supervising agencies — departments such as DIISRTE and DOHA, regulators such as TEQSA and AQFC, funders including ARC and NHMRC.

As agencies multiply, so policy coherence dilutes. It requires clever officials to hold together the centre, and continual bureaucratic cuts mean these are fewer in number, with their tasks overwhelming. Corporate amnesia threatens.

The result often is complexity, not co-ordination. This said, successive education ministers and the sector still achieve great things. The HECS system and the bipartisan expansion of university participation demonstrate underlying strength.

But these achievements can be despite the governance arrangements. And the rules of the game can make innovation a risk, not a virtue.

The question is, how do we adjust these settings? Perhaps surprisingly, the creation of a super-regulator, the Tertiary Education Quality and Standards Agency, provides an opportunity.

Some have criticised TEQSA, not always fairly, as intrusive. In TEQSA, we have the kernel of a governance proposition. At present, it is a regulator. But it could be the primal ancestor of a more nuanced governance approach. The desired outcome is clear. We want quality, which requires regulation to ensure minimum standards. But regulation alone is cutlery without a meal.

We need a structure to drive diversity and innovation, with regulation as the means, not the end. We need, if possible, a single body unifying policy, funding, regulation and administration, with a career structure and continuity to build expertise across time. Above all, we must enshrine the basic governance value that universities are indispensible, independent intellectual components of civic society.

They are solutions, not problems to be managed.

History suggests there is a governance structure matching this vision.

When Robert Menzies launched his great expansion of Australian universities, he entrusted it to a universities commission. Government did not surrender overall control but it accepted expert guidance.

In the same way, a revived Australian Universities Commission would allow government — Labor or Liberal — to set basic directions for higher education but allow an expert body to build the policy details in a coherent way.

Higher education tends to be an area of bipartisan policy, with a shared commitment to diversity and innovation. A revived commission would provide space for the system to pursue these goals.

For the first time, like a good business, government could pursue a higher education strategic plan rather than a series of brilliant initiatives.

Government would not be hands-off but hands-off-throat. It would retain control of policy and finance. But it would be informed by advice beyond the bureaucracy and politics.

The commission could include business, community leaders and stakeholders as well as academics. It could unite the disparate satrapies of higher education, if not behind a single desk then behind one long counter.

To really rile Sir Humphrey Appleby, the commission’s first reference from government could be an inquiry into eliminating bureaucracy, regulation and double reporting.

The functions of the commission would vary according to context. Its regulatory arm — the old TEQSA — would retain determinate powers constrained by the commission’s settings.

The same would go for quality frameworks. Other functions would be more recommendatory.

The commission could make non-binding recommendations to government on student, research and institutional funding. It could act as a price regulator if government conceded a degree of elasticity in student contributions. Its expertise would ground all manner of inquiries currently pursued on an ad-hoc basis.

The commission would move us forward in two crucial ways.

First, it would place political imperatives within a context of expertise and principle, without denying the ultimate responsibility of government.

Second, it would appeal to both sides of politics: a deregulatory diversity agenda pursued through a historic Liberal precedent built on Labor’s regulatory reforms, themselves supported by the Coalition. It would give universities strong internal governance and a predictable external environment.

So Menzies and Julia Gillard could hold hands across the decades, reviving an old idea for a very contemporary purpose.

Glyn Davis is vice-chancellor of Australian Catholic University. Glyn Davis is vice-chancellor of the University of Melbourne.
Publicity key in selling MyUni

BERNARD LANE

THE government's $3.1 million MyUniversity website needs more publicity, admits Tertiary Education Minister Chris Evans.

Launched in April, the website pitched at consumer-students has had more than 184,000 unique visits and more than a million page views, Senate estimates heard last week.

"I have a 16-year-old who is doing his matriculation this year and I had to physically log into it for him," Senator Evans said.

"He had not heard about it. I think we still have a job to do."

About a fortnight after its April 3 start-up, MyUniversity had racked up 73,000 visitors and 565,000 page views.

Universities found plenty to grumble about but version 1.1, which went live last month, reportedly brought fixes, more data and a mobile-friendly format. "You would probably be very hard-pressed to find any public statement from any university after the launch of 1.1 that repeats those (initial) criticisms," said David de Carvalho, higher education chief for Senator Evans' department.

Victoria University's Claire Brown, an early critic of the website, agreed it had improved.

She said search results were more consistent if you repeatedly executed a search, whereas previously it looked like a random generator was at work.

"But there is still no clear explanation how they are ranking their hits," she said.

Take a search for "education" courses. Ms Brown was surprised at the prominence in the hundreds of search results of online courses, given the importance of face-to-face practice in teaching.

Also odd was the inclusion of a law program and a bachelor in midwifery, while a search for "teaching" courses turned up a bachelor of education program not discovered by an "education" search. If the MyUniversity data suggested it was reaching a third to a half of potential freshers, Ms Brown wondered what their experience was like. "How many screens did they scroll through before they got confused and exhausted?" she said.
Regulator faces juggling act in balancing need for innovation, quality

THE university regulator will be a major player in how the higher education sector evolves over the next 15 to 20 years as the combined forces of decreasing government funding, aggressive new players and sophisticated technologies take their toll on the traditional comprehensive university.

A report released today by consultancy firm Ernst & Young says the national regulator will be challenged with creating an environment that allows innovation while maintaining quality. “If new models of higher education are to emerge, then TEQSA (the Tertiary Education Quality and Standards Agency) will have to strike a balance between keeping an eye on quality while leaving room for innovation,” said Justin Bokor, lead author of the report, University of the Future.

The report posits three scenarios for the sector in 15 to 20 years.

The first is a more streamlined, efficient version of the status quo.

The second, dubbed the niche dominators model, contends that several universities will specialise by refining “the range of services and markets they operate in, targeting particular customer segments with tailored education”.

The third scenario is the transformer model in which “private providers and new entrants carve out positions in the traditional sector and also create new markets that merge with higher education”.

“If the regulatory model doesn’t allow room for innovation to take place, that would be a big loss. We need new models for how teaching is delivered; that’s TEQSA’s challenge,” Mr Bokor said.

His comments were backed by Fred Hilmer, vice-chancellor of the University of NSW, who said if the “current bias to large public universities” were to continue, then there would be room only for a slow pace of change.

“Politicians change very slowly and the regulatory environment is unlikely to change very dramatically. Governments aren’t very good at taking their foot off the throats of anything. Even when they privatisse sectors, they still want to control it.”

RMIT vice-chancellor Margaret Gardner agreed, saying the “contradictory forces coming from the regulatory environment” would greatly influence any changes driven by the market.

While she felt the report also did not grasp the rate of change in the sector in the past 30 years, “it does come to grips with changes around contestability of markets and technological change”.

The report says that while the campus-based university will not disappear, it will be under threat, with a small number of institutions forced to shut their doors. While a handful of the most elite will survive unchanged, most will be forced to change business models, outsource administration, and create partnerships with industry and a raft of companies, whether they are content creators, distributors or providers.
The federal government’s $500 million cut in research funds has driven a wedge into the sector, pitting the student access and expansion agenda against the research funding that drives global rankings for elite research universities.

Group of Eight chairman and University of NSW vice-chancellor Fred Hilmer has slammed the delay in new money for indirect research costs, blaming the blowout in the cost of the government’s “ill conceived” uncapping of student places. But he immediately put offside those universities that have aggressively expanded places.

Greg Craven, vice-chancellor of the fast-growing Australian Catholic University, yesterday hit back, saying Professor Hilmer’s comments were “evidence of the sort of atrocious policy awareness that has made universities easy targets for decades. You can rely on universities to turn on each other if you cut them.”

While newly installed University of Queensland vice-chancellor Peter Hoj appeared to back Professor Hilmer’s concerns about the expansion of student places, Go8 colleague Ed Byrne at Monash distanced himself.

Tertiary Education Minister Chris Evans hit back. “To maintain they have somehow been hard done by as a result of this government’s higher education and research policies is a complete nonsense,” Senator Evans told the HES, noting that funding for UNSW since 2007 had risen 70 per cent under Labor.

One non-Go8 vice-chancellor reportedly quipped that it was time for the Go8 to “take one for the team”. The Go8 gets about 75 per cent of money for indirect research costs.

Senator Evans dismissed Professor Hilmer’s suggestion that $1bn could be saved if places for school leavers were limited to those with Australian Tertiary Admission Ranks of 60 or more as a marker of their preparedness for university.

“‘I wouldn’t advocate further expansion of the demand-driven system (without) a review of whether we have got the balance right,” he said.

However, fellow Go8 vice-chancellor Ed Byrne of Monash University said Professor Hilmer was expressing an individual view rather than speaking on behalf of the Go8.

“‘I wouldn’t support interfering with the demand-driven system because I think it has been very effective,” he said.

ADDITIONAL REPORTING: BERNARD LANE JILL ROW BOTHAM

Expansion drives up bill for student support

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Open market ‘will undermine choice’

JOHN ROSS

The move by NSW to an open training market will constrain rather than increase choice, critics say, because students will have fewer government-funded courses to choose from.

Education Minister Adrian Piccoli said the Coalition’s “philosophies about choice and markets” had been a significant driver of the change, which sees TAFEs compete with private colleges for students and the funding that accompanies them.

Mr Piccoli said it was the right thing to do. “The reforms are about empowering individuals to make their own choice.”

But University of Melbourne tertiary education researcher Leesa Wheelahan said the move would undermine choice, by limiting government funding to courses that research and industry consultation had found to be of vocational benefit.

“The government will tell you the opportunities you can have,” she said.

She said the NSW government had flagged a move in this direction by cutting funding for fine arts courses, as part of last month’s $80 million TAFE cuts. This was “economically counter-productive”, she said.

“The fine arts and the other programs they are cutting still play an important economic role and provide people with opportunities.”

NSW has chosen a different approach to the open market than in Victoria, where training costs blew out by about $400m after enrolments snowballed in private college recreation, real estate, and finance courses.

Instead of capping places in courses thought to offer few vocational opportunities, Victoria slashed the funding to discourage colleges from offering places. But NSW will scrap all support for such courses, limiting funding to those on its “skills list”.

“We presume there would be areas that are not seen as of great significance to the economy, and they will not be on the list,” David Collins, who heads the Education Department’s training services arm, told the HES.

Mr Collins wouldn’t speculate on “what’s going to be on or off the list”, saying this still needed to be determined. He said course offerings always changed as demand fluctuated.

RMIT policy analyst Gavin Moodie said the NSW approach was “a combination of market competition and government control”.

“(This means) neither a market nor government planning will work effectively,” he said.

Plan “undermines” TAFE

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Minister Adrian Piccoli says 'the reforms are about empowering individuals to make their own choice
Report assesses funding impact

Case studies reveal the benefits of research

JILL ROWBOTHAM

PROGRESS towards a measure of the economic and social contribution that flows from research funding will be reported next month, government officials have revealed.

A joint Australian Technology Network universities and Group of Eight pilot, based on case studies, would be discussed at a symposium, staff from the Department of Industry, Innovation, Science, Research and Tertiary Education told Senate estimates last week.

ATN executive director Vicki Thomson has since told the HES the trial included 162 case studies of the impact across areas such as defence, economic development, the environment and society, assessed by seven panels that were about 70 per cent non-academic. Organisations represented included Rio Tinto, Microsoft, ConocoPhillips, Chevron, KPMG, Deloitte, IBM, the Salvation Army and the CSIRO.

The trial's preliminary findings “indicate that it is possible to assess research impact, that the use of case studies is an appropriate means for assessing this impact and that assessment panels should be comprised of a majority of end user stakeholders”, Ms Thomson said.

Impact was famously excluded when the Excellence in Research for Australia audit was formulated. After the first ERA report in January 2011, then Innovation minister Kim Carr conceded there should be an attempt to design a robust measure of research impact.

Department acting deputy secretary Anne Baly told estimates last week that other efforts were under way. These include the Australian Science and Technology Research Assessment project by the Melbourne Institute, the Australian National University and an American expert, the National Science Foundation’s Julia Lane. “It aims to bring together a whole lot of existing datasets so you can form a view about the impact of research funding through a number of different aspects,” Ms Baly said. The thrust of the government’s interest was to see “how that (data) might be used in a sensible, coherent way”, she said. “That would give us a more metric-based approach to looking at impact, were that to be successful.”

There is also an IP Australia project analysing the patents, intended to shed light on the relationship between research funding and patents or licences attributable to it. Shadow minister for universities and research, Brett Mason, endorsed the efforts. “It is valuable policy work no matter who is in government,” Senator Mason said. “Trying to, at times, convince the public or indeed one’s party room how important this is, requires evidence, and you are putting together evidence, I think, which is very good public policy.”
EVERYONE else is talking about free online courses, so why not Australia’s university watchdog?

The Tertiary Education Quality and Standards Agency has promised guidelines for universities flirting with these courses, known as MOOCs or “massive open online courses”.

The new guidelines would “signal where we are happy for them to go and where there may be issues if they were to take them to a particular end”, TEQSA chief commissioner Carol Nicoll told Senate estimates last week.

TEQSA says its tips will be published “in the coming months” but Dr Nicoll gave senators a hint. If, like the US-based Coursera venture, Australian universities are offering free courses, not degrees, then TEQSA appears unfussed.

“Where we will start to get involved is if there is any credential associated with (MOOC courses) that could be named on the Australian Qualifications Framework,” Dr Nicoll said.

“If that were to occur . . . we would be interested in the assessment practices being used and how a provider would maintain academic integrity and appropriate assessment practices, where a provider may have thousands and thousands of students involved.”

She disagreed with Greens senator Lee Rhiannon, who thought it inevitable that the MOOCs model would soon have degrees for sale.

At a Canberra symposium hosted on Monday by The Conversation website, Tertiary Education Minister Chris Evans was hedging his bets on the MOOCs phenomenon.

“I’m not sure I see it as such a game-changer but it’s obviously a very important development,” he said. “Obviously a challenge is to make sure we protect quality but allow innovation.”

In Senate estimates, Dr Nicoll disputed the characterisation of her agency as an obstacle to innovation.

“TEQSA will not inhibit the capacity of providers to engage in MOOCs where such engagement does not result in a credential and where the providers are not charging for it,” she said.

The University of New England’s Jim Barber, a prophet of online learning, has argued that the regulator is blinkered by an on-campus mindset.

“If our thinking about what constitutes quality in teaching and learning is not urgently modernised, Australia is at risk of surrendering its domestic market to international online providers,” he told a recent conference.

This week, Professor Barber asked whether TEQSA’s “apparent willingness to engage with MOOCs will extend to adapting its regulatory framework to ensure that Australian universities are able to participate fully in the new market for online learning”.

“This would necessitate shifting its emphasis from specifying how teaching should be conducted (input standards) to what teaching should achieve (outcome standards),” he said.

“And because cyberspace knows no geographic boundaries, TEQSA would also need to co-ordinate its activities with international bodies such as UNESCO to avoid the prospect of Australian universities moving their online operations to more liberal jurisdictions offshore.”

BERNARD LANE