

# *The challenges facing higher education*

*Briefing paper for the Advance Australia Fair Conference, 30–31 July 2005*

The Australian higher education sector has a strong international reputation with Australian universities considered as top destinations for international students. Australia's higher education sector is the country's third largest service export worth approximately \$6 billion annually.

The sector has been experiencing rapid and dramatic change since 1996, when the then newly-elected Coalition Government partially deregulated HECS fees, reduced Government investment in real terms and introduced a number of measures to increase the commercialisation of universities and their research.

The changing industrial relations environment and the overall policy framework poses significant challenges to university independence, academic freedom and the quality of higher education available to the Australian community. The Government's changes also pose a significant threat to higher education as a service export.

This paper will give a brief overview of these challenges and how they are impacting on students, universities and the broader community.

*There are 4 main challenges facing Australian higher education:*

- 1. Student Fees, Debt and Voluntary Student Unionism*
- 2. Industrial Relations*
- 3. The Policy Framework*
- 4. Research and Research Funding*

## *Summary*

The Federal Government's higher education policy initiatives, together with the Higher Education Workplace Relations Requirements (HEWRRs), show that it is not satisfied with its existing level of control over universities. Instead, it wishes to indelibly stamp its mark on the Australian university system.

The Government is encouraging universities to generate a private income base, through up-front fees, bequests and the like. The Government's strategy in this regard has been very successful: today, Government funding only represents approximately 40% of total university funding, with 60% coming from other sources, mainly students and their families.

Despite this, the Government wants to exert 100% of the control over our universities.

The Government's approach flies in the face of accepted international practice: the United Nations recommends the defence of university autonomy and self-governance on the grounds it is "necessary for effective decision-making by institutions of higher education regarding their academic work, standards, management, and related activities consistent with systems of public accountability, especially in respect of funding provided by the state."

# 1. Student Fees, Debt and Voluntary Student Unionism

## Student Fees

The cost of government-supported (HECS-liable) university places has, on average, more than doubled in real terms since 1996. A five-year law degree in 1996 would have cost \$14,150; in 2005 will cost more than \$32,000. If you add the 25% increase in HECS fees that recent Federal Government reforms have allowed, the cost of a law degree increases to over \$40,000; a rise of 180% in real terms.

Even National Priority places in teaching and nursing which are protected from the 25% HECS fee rise have increased in real terms by almost 40% since 1996. In 2005-dollar terms, university degrees will have increased in price by between \$3,000 and \$31,000 since 1996.

The contribution students make to the cost of their university education, differs between disciplines but the data shows that

in 2005, with a 25% HECS increase, students will contribute anywhere between 29% (teaching and nursing) and 102% (law) toward the cost of their university education. The average student will pay for more than 50% of the cost of their university education from 2005.

The decision by the Government to allow universities to increase HECS fees by 25% means that over the period 2005–2008, Australian undergraduate students enrolled in government supported university places will be liable for \$800 million in extra HECS fees. The Government claims that because students do not have to pay their fees upfront, and can take out income contingent loans with the government through HECS, that the cost of degrees is not an issue. This does not take into account the ever-increasing amounts of student debt.

## Debt

HECS fees are a significant issue because graduates are finishing university with significant debts. In 1995, only 14% of HECS debts were more than \$10,000 and no one had a HECS debt of more than \$20,000. By 2002, this situation had changed dramatically with 43% of HECS debts being more than \$10,000, and 8% more than \$20,000.

Most students who commence studies after 2005 will have debts in the order of \$15,000 to \$25,000 and some will have HECS debts as high as \$50,000. Student HECS debt is already topping approximately \$11 billion. This does not take into account the debt impact of the Federal Government's recently introduced full-fee paying student loan FEE-HELP.

The impact of student debt does not affect all students equally. While it would take a high income male approximately 6 years to pay off his debt, a low income female with two children would take over 30 years to repay her debt. Research also

indicates that students from low socio-economic backgrounds tend to be more averse to incurring debt and therefore may be reluctant to undertake university study if they fear having a debt that could take anywhere up to 30 years to repay.

Interestingly, the number of Australian students seeking to enter university has dropped, which provides some empirical support to the fact that university is becoming too expensive an option for many students.

Research conducted by the Council of Australian Postgraduate Associations highlighted that with higher HECS debts, graduates are living at home longer, take longer to enter the housing market and take longer to start families. *The Australian Social Trends 2005*, released by the Australian Bureau of Statistics also supports the fact that graduates are taking longer to leave the family home. This has a negative flow-on impact on the economy and the community more broadly.

## Voluntary Student Unionism

The Government's proposed voluntary student union (VSU) legislation will have a very serious impact on the quality of the university experience for students. The proposed legislation will eliminate the funding base for student organisations and penalise any university that continues to charge a fee for any services deemed by the Government as not relating to the academic nature of a student's course of study.

Student organisations are vital to the culture of a campus and provide many critical services. They not only contribute to the well-being of students during their course of study, but provide the opportunity for students to develop additional skills. Student organisations provide students living and studying in regional and rural Australia access to services and resources that may not otherwise be available.

They are essential in creating an atmosphere that diminishes the tyranny of distance to metropolitan regions by providing social, recreational, cultural and sporting opportunities and services. In some places, it is the student organisation that provides important social infrastructure, such as cinemas, childcare facilities and sporting amenities, to the whole community.

Student organisations are best placed to offer students independent assistance and support academic and other university processes, as they employ staff with specialised knowledge of university discipline and appeals policies and mechanisms. If these services were to be provided by university staff, conflicts of interest would arise. Maintaining the independence of student advisory and support services provided by student organisations is crucial to student welfare.

Student organisations provide jobs for approximately 7,000 people nationally (*source: Australasian Campus Union Management Association*) and provide thousands of part-time and casual job opportunities for students. They also contribute approximately \$1 billion to the Australian economy.

Services provided by student organisations which are under threat from the Government legislation include:

- Accommodation assistance & referral
- Activities programs
- Advocacy
- Advisory/governing bodies
- Cafeterias & bars
- Childcare
- Counselling services & referrals
- Cinemas
- Clubs & societies
- Dental care
- Diary
- Employment for students & the community
- Employment & careers advice
- Graduations support
- Help desks
- Insurance
- Legal advice
- Media & publications
- Medical care
- Meeting rooms
- Orientation programs
- Postgraduate support
- Short courses
- Sport and recreation
- Student Representative Councils
- Support with grievances and appeals
- Tax advice and support
- Welfare services & referral

These services and many more are under threat by the Government's anti-student organisation legislation.

## 2. Industrial Relations

The Federal Government has flagged major changes to industrial relations for the higher education sector entitled Higher Education Workplace Relations Requirements (HEWRRs).

The HEWRRs are best characterised as criteria that universities must comply with in order to be eligible for 'assistance funding' under block funding for universities known as the Commonwealth Grants Scheme (CGS). The money that is contingent, which the Government has already promised to universities and in many cases has already been budgeted, is 5% in 2006 and 7.5% in later years. This is a large amount of funding, meaning universities have a significant incentive to comply with the HEWRRs.

The key features of the HEWRRs are:

- Institutions must offer AWAs to all new staff employed after 29 April 2005, and to all existing staff by 31 August 2006.
- Institutions must include a clause in Agreements that expressly allow AWAs to operate to the exclusion of the Enterprise Agreement.
- University Agreements, policies and practices must:
  - provide for "direct relationships with employees".
  - not limit or restrict the university's ability to make decisions and implement change in respect of course offering and associated staffing requirements.
  - not place limitations on the forms and mix of employment arrangements.
  - be simple, flexible and principle-based, avoiding "excessive detail and prescription".

To qualify for the funding, institutions must meet the HEWRRs to the satisfaction of the Federal Education Minister. Presumably this would mean that Agreements reached between universities and the Union would have to be "vetted" for HEWRR compliance by Government officials prior to certification.

These changes have the very real potential of damaging staff conditions and wages. This will prove particularly damaging for staff of rural and regional universities or campuses.

Universities and campuses located in rural and regional Australia already have significant difficulties in attracting and retaining staff and should conditions and wages be forced down through these changes, it will be even more difficult for these universities and campuses to attract and retain quality staff.

This could result in negative flow-on effects for the quality of courses at rural and regional universities and campuses – as well as the ability to attract and retain domestic and international full-fee paying students.

## 3. The Policy Framework

The HEWRRs are part of a broader package of interventionist measures that the Government is attempting to implement across the public university system.

### Amendments to the National Protocols for Higher Education Approval Processes.

The Federal Government is proposing major changes to the regulatory underpinnings of the public university system. Of particular concern are proposed changes to the *National Protocols for Higher Education Approval Processes*, the key regulatory mechanism covering university accreditation, administered jointly by the Commonwealth, State and Territory Governments. The outcomes could have far reaching implications, particularly to our notion of what a 'university' is.

There are five National Protocols, of which Protocol 1, *Criteria and Processes for Recognition of Universities*, codifies many of the commonly accepted aspects of what it means to be a university. It specifies, among other things, that to be recognized as a university, an institution must offer a broad range of disciplines, engage in research and have a commitment to free inquiry. All new entrants into the higher education market seeking to use the term 'university' in their title have been assessed at a Commonwealth or State/Territory level against Protocol 1.

The *National Protocols* have provided a clear, structured and consistent process by which institutions may use the term 'university', and in this way they have proven a vital safeguard against the entry of inappropriate providers seeking university status.

The Federal Education Minister, Brendan Nelson, has justified the current review as being necessary to inject greater

institutional diversity into the sector. In reality, the agenda is to reduce the test for accessing the 'university' title. The Government, backed by bodies such as the Australian Council of Private Education and Training, is particularly keen to weaken the stipulation in Protocol 1 that a university must undertake research and provide a broad range of disciplines.

Reducing the requirements necessary to be defined as a university is likely to force established universities to compete against a range of smaller institutions. These institutions will operate on the basis of substantial cost efficiencies due to the fact that they do not have to engage in the full spectrum of activities undertaken by established universities, such as research and discipline breadth and depth or fostering community links.

This has the potential to not only drive down the quality of education offered by universities, but also to reduce discipline diversity as institutions are forced to compete against each other on a narrow range of highly profitable disciplines.

This could actually work to reduce diversity as institutions engage in destructive competition against each other, both for students and subsidies. Such a trend could also lead to the concentration and narrowing of research capacity across the sector.

## *Commonwealth takeover of State and Territory responsibilities for higher education*

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Attempts by the Commonwealth to gain greater control over the key regulatory functions of universities have a number of serious implications for the Australian universities.

In addition to their core functions of providing quality teaching and research, universities serve the public interest more broadly by directly assisting the communities in which they are located. Increased Commonwealth control will undermine the ability of States and Territories to articulate and protect these interests, which in turn has the potential to undermine the quality and accessibility of education delivered by Australian universities.

The Government is also seeking to remove staff and student representation on university governing bodies. Moving further towards a business model for university governance is likely to be at the expense of educational frameworks. Staff participa-

tion in governance is critical to the ability of universities to work in the public interest and defend the principles of academic freedom.

The Commonwealth already has significant regulatory power in relation to the conditions that it sets for institutions to be able to access public funding. These include negotiations with universities over the payment of subsidies for Commonwealth supported student places and, increasingly, the nature of research that attracts government funding.

Changes to the existing regulatory framework could seriously undermine the institutional autonomy of universities, which is essential to the provision of high quality education and academic freedom and to the international reputation of Australian universities.

## *4. Research and Research Funding*

### *The implementation of a Research Quality Framework (RQF)*

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The Research Quality Framework (RQF) proposed by the Government is an attempt to assess the quality and impact of publicly funded research. Its purpose is to ensure that funding for research is more transparent to Government and so that taxpayers are better informed about the results of publicly funded research agencies and research. The RQF also attempts to ensure that publicly funded research agencies and research providers are encouraged to focus on the quality and relevance of their research.

The Minister made it clear in a recent address at the National Press Club that the RQF will be used as the basis for decisions in relation to the allocation of research funding to universities (although it is not clear whether this will involve substantive new funds or the reallocation of existing funds).

The RQF could result in a concentration of research funding in some universities at the expense of others, particularly regional campuses, as well as impact on the type of research being carried out. This could lead to the creation of 'teaching-only' institutions, which have potentially significant industrial, professional and educational implications for academics and students.

Research is an integral core activity for any university, essential to the development of high quality curricula and innovation. Furthermore, research is also an essential activity for universities in providing leadership for developing and contributing to public debate (and solutions) about significant issues facing Australia as a nation, its metropolitan regions and its regional/rural areas.

### *Research Commercialisation*

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In 2004, the Federal Government released its science and innovation package, *Backing Australia's Ability II (BAAII)*. This package extended many of the initiatives in the original *Backing Australia's Ability* package, due to expire in 2005, to 2011, and introduced a number a new initiatives. The major focus of *BAAII* is research commercialisation, narrowly defined as the development of research into product innovation and the delivery of such products to market. The emphasis though is on concentrating these efforts in the fields related to the National Research Priorities.

At the time it was announced, NTEU expressed major concerns regarding *BAAII*'s overemphasis on commercialisation, and how this might lead to crowding out speculative research efforts and more particularly research in the humanities and social sciences. The concerns expressed by NTEU have, to a

degree, been realised as universities have put a greater emphasis and focus on research that is capable of being commercialised.

To date, this has not been to the detriment of speculative research or research in humanities and social sciences. However, greater emphasis on research commercialisation coupled with the RQF may force universities to concentrate their research funding into research areas that will score higher within the framework and have commercial benefits. This will lead to speculative research efforts and research in humanities and social sciences, in particular, being crowded out. It may also result in significant shifts in the types of proposed research projects away from humanities and social sciences and more towards those projects that have obvious commercial benefits and that may score highly within the RQF.

### *Online links*

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<b>AWAs</b>	<a href="http://www.nteu.org.au/policy/current/rqf">www.nteu.org.au/policy/current/rqf</a>
<b>HEWRRs</b>	<a href="http://www.nteu.org.au/campaigns/higheredatrisk">www.nteu.org.au/campaigns/higheredatrisk</a>
<b>RQF</b>	<a href="http://www.nteu.org.au/policy/current/rqf">www.nteu.org.au/policy/current/rqf</a>
<b>VSU</b>	<a href="http://www.nteu.org.au/policy/current/vsu">www.nteu.org.au/policy/current/vsu</a>