

19 December, 1997

Dear Mr West

**Submission to the Review of Higher Education Financing and Policy
Learning for Life - A policy discussion paper**

The position of the Australasian Law Students' Association (ALSA) in relation to changes to the Higher Education sector was outlined in our submission to the Higher Education Review Committee dated 24 April, 1997. ALSA's position on these issues has not changed.

The purpose of this letter is to provide the Higher Education Review Committee with feedback on two main issues raised by the policy discussion paper—Learning for Life:

- Tuition fee flexibility and student centred funding models; and
- Information Technology.

In commenting on the policy discussion paper, we refer you to ALSA's basic position on these issues as outlined in the abovementioned submission.

1. Tuition fee flexibility and student centred funding models

As outlined at 4.29 on page 32 of our submission to the Higher Education Review, ALSA submits that a deferred HECS scheme is the most appropriate means of financing higher education. ALSA submits that there should be universal access to income contingent loans, as under the HECS scheme. However, we submit that the introduction of differential HECS should be re-considered for the reasons outlined at 4.3-4.23 of ALSA's submission.

However, ALSA submits at 4.30 on page 32 of our submission that the consideration of student centred funding models, such as a voucher system, should involve a careful consideration of the significant access and equity issues involved.

ALSA submits that the introduction of a student centred funded model would require significant oversight and controls if the interests of students and institutions are to be protected. Deregulation of tuition fees and student centred funding models have the potential to reduce equity of access to education. The universities with long established traditions and better facilities which have been built up over decades of government subsidies would have an unfair advantage in attracting students. This advantage would mean that such institutions would be able to charge higher fees for their courses, as recognised at page 31 of the discussion paper ("higher fees are more likely for more popular courses at more popular institutions"). This would then mean that one student who is financially sound could afford to attend one university whereas another student who comes from a low socio-economic background may not. This is contrary to ALSA's commitment to equality of access as outlined in our initial submission. This may also threaten the viability of some of the smaller, regional universities by forcing them to charge lower tuition fees which may have effects on the resources available and the quality of education at that institution.

ALSA disputes the contention at page 31 of the discussion paper that competition between universities would provide downward pressure on tuition fees. As outlined above, the more established universities will retain an inherent ability to charge higher fees based on the prestige of the university. Whilst price competition may occur amongst smaller institutions, these institutions will not be on a level playing field with their older counterparts. As a result, the more established universities will be able to consolidate their reputation with their increased resources, and will be able to charge correspondingly higher tuition fees, creating barriers to access.

ALSA also questions the suggestion that tuition fee flexibility is necessary to provide greater incentives for differentiation and encourage global competitiveness. The large number of new institutions and faculties established in the last two decades has created fierce competition for enrolments. Price competition is not necessarily required to further this differentiation. Presently, new institutions are

faced with the necessity of providing innovative courses in order to attract students who might otherwise enrol at more prestigious institutions. This is particularly true in law, where several new entrants into the market have carved a niche for themselves in the tertiary legal sector by providing skills integrated law courses. ALSA submits that for a new institution to be successful, there already exists some requirement to differentiate and innovate. If price deregulation were to occur, it is likely that these institutions would suffer as outlined above. If anything, ALSA submits that any limitation on innovation that exists within universities results from inadequate government funding rather than due to a lack of incentives.

In the event that the Committee does retain its preference for a student centred funding model and tuition fee flexibility, ALSA submits that the phasing in process through a decade of managed reform advocated by the Committee in Chapter 5 should include the establishment of an independent body to oversee the proposed reforms.

As recognised by the Committee at page 33 of the discussion paper, the success of a student centred funding model will depend on the quality of information available to prospective students so that they can exercise choice in an informed way. ALSA supports this statement and encourages the establishment of an independent body to facilitate the provision of performance information to students. We submit that it is critical that the quality of teaching and learning at particular institution is completely transparent to students. At the same time, it is important that vouchers are easily transferable between universities so that there is pressure on the institutions to deliver the quality of education that the student expected when they chose to attend that particular university.

ALSA supports the statement at page 30 of the discussion paper that "it would be desirable for students to have access to a lifetime postsecondary education entitlement of public funding". ALSA submits that the value allocated to a voucher must be at a base level which achieves an equitable outcome. For this reason, the maximum cost of a course should be capped at a reasonable level by the government. This will also ensure that universities can differentiate on the basis of decreasing the price of the course. The value of a voucher should be sufficient to cover any undergraduate degree or double degree combination and up to one year of professional training.

As noted at 1.11-1.18 of our submission, there are serious equity implications and barriers to entry to the legal profession associated with the introduction of up front fees for practical legal training courses required for admission as a legal practitioner. In our submission, we argued that legal practice courses which are required for initial admission to the legal profession should be HECS liable to enable equity of access to the legal profession. As part of the discussion of a student centred funding model, ALSA submits that public funding should be available for postgraduate coursework degrees that are prerequisites to professional accreditation such as the practical legal training component. Further, ALSA supports the statement at page 153 of the discussion paper that "whether or not public funding is available for postgraduate course-work degrees, a government guaranteed, income contingent loan arrangement should be available to these students." As outlined above, extensive discussion of these issues can be found at 1.11-1.18 of our initial submission.

2. Information Technology

ALSA agrees that the shape of postsecondary education will be changed considerably by developments in information technology, and we note that the theme of the most recent Australasian Law Teachers Association Conference was "The Virtual Law School: A Practical Reality?". ALSA also agrees with the Committee that these developments should be embraced and capitalised upon. However, we submit that this is dependent on increased funding to universities to enable them to equip themselves with the requisite resources.

As outlined at 2.11 on page 16 of our submission, ALSA submits that organizational change in universities should provide flexibility in teaching and learning by equipping universities with the resources for technological change. For example, as outlined at 3.2 on page 17, the quality of the law degree is largely dependent on the level of funding available for law schools to maximise resources in order to encourage innovative teaching methods involving a greater use of technology such as computers, and the internet. Furthermore, a quality legal education is highly dependent on the resources of law libraries such as CD Roms, data bases, and the internet. ALSA submits that the placement of law in band 1 of the Relative Funding Model makes it difficult for law schools to be adequately equipped

with the library and computer resources required for a quality legal education. At the same time, this lack of resources is hindering diverse and innovative approaches to legal education.

However, ALSA submits that many areas of university teaching will not be suited to delivery in an electronic format. For example, the development of so called "lawyering" skills (such as negotiation, advocacy and client interviewing) will always remain a fundamentally face-to-face process. In addition, ALSA submits that some of the benefits derived from a university education are intangible social skills. Face-to-face contact should always remain an integral part of the education process, despite the alternative methods available.

ALSA submits that there are significant benefits to be derived from embracing information technology, but these benefits should not be overestimated. Similarly, the Committee's suggestion that institutions should seek to lower costs through the more extensive use of electronic delivery mechanisms is not entirely beneficial. In a price competitive environment, the temptation would be for institutions to move to electronic delivery to minimise costs. ALSA submits that there is value in face-to-face teaching and the social element of university education. Institutions should not necessarily be encouraged to seek the cheapest mode of delivery, as this may deprive students of many of the benefits of interaction between teacher and student, and student and student.

We look forward to reading the final report of the Committee.

Yours faithfully,

(/Geraldine Chin (ALSA President)
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