

**BUSINESS COUNCIL OF AUSTRALIA**  
ACN 008 483 216

30 January 1998

Mr Roderick West  
Chairman  
The Review of the Higher Education Financing and Policy  
Location Code 728  
GPO Box 9880  
CANBERRA ACT 2601

Dear Mr West

The Business Council of Australia would like to take this opportunity to respond to the policy discussion paper, *Learning for Life*, released by the Review of the Higher Education Financing and Policy Committee on 12 November 1997.

The Business Council supports the Committee's vision that the Higher Education sector play a significant role in the intellectual, cultural and economic development of Australia by developing and educating members of society who are well informed, socially responsible and equipped with the competencies necessary for life-long learning.

While the Business Council concurs that students are customers of the Higher Education system, it would like to emphasise that parents, employers, and the community at large as tax payers are customers too, all of whom have a vested interest in the 'product' of the system. The Business Council in supporting the Committee's strong recognition of the student as the client, is keen to ensure that this recognition does not in any way diminish, trade off or impact negatively on the central role of research in the purpose and raison d'etre of universities.

Against this background, the BCA would single out the following areas covered in the Committee's paper as being of particular interest to Australian business and industry: the future of research and development in Australian universities the concept of a "seamless system" the concept of a university overseas funding of universities, and information technology and course delivery

**RESEARCH AND DEVELOPMENT**

It is of concern to the Business Council that throughout the paper there is an underlying inference that valuable university resources are being diverted to secondary / less worthwhile activities, such as research. Not only does this carry an inference potentially hostile to the very purpose for which universities were originally conceived, but it is also a position potentially very destructive of a soundly conceived relationship between the higher education and industry sectors.

The Business Council is concerned that the Committee concludes that the balance of incentives in the current policy framework are "weighted too far in favour of research" (p. 39). While it may well be appropriate to ensure that the tasks of teaching and research are more clearly delineated in the incentive structure for academics, the Committee has not demonstrated that there is an unwarranted bias in resources within the sector devoted to research.

Public funding of higher education will always have relevance where public benefit and private interest are not synonymous. This is the case not only for reasons of intellectual integrity and academic freedom, but also because society has an interest in capturing the wider public benefits of research.

While therefore advocating the need for continued public funding of the research and development role within universities, the Business Council simultaneously supports, and continues to encourage, recent innovations such as the Cooperative Research Centres, collaborative public and private projects and private sector support for university based research and development. Innovations such as these however, should not be viewed as a way of substituting public funding, or a mechanism to replace the on-going responsibility of government to contribute financially to the development of our science knowledge base and the associated infrastructure required to maintain and upgrade it. Rather such innovations should be seen as supplementary. To shift to an exclusive reliance on private funding, and in turn assume it will be regular and continuous, naively places the national interest at risk, especially when we consider times of economic downturn and/or the possible impact of changed economic circumstances for research and development dollars spent by enterprises.

## **A SEAMLESS SYSTEM**

The Business Council supports the development of a 'seamless system' when it is based on 'seamless' being defined in a manner that focuses on the needs of the client, rather than like structural, regulatory and resourcing arrangements for the VET and Higher Education sectors.

Accordingly the systems should be 'seamless' in so much as public and private providers across the VET and Higher Education sectors all

- accept the Australian Qualifications Framework (AQF) and adhere to AQF levels as a standard continuum
- recognise all qualifications within the AQF
- align existing credentials with AQF levels
- open/establish consistent articulation pathways between the sectors
- acknowledge different measures / prerequisites for entry into the two sectors (e.g., TER scores and competency based training outcomes)
- undertake to provide credit transfer options and recognise prior learning
- ensure development and assessment of the Key Competencies
- avoid duplication of infrastructure and
- where possible utilise third party access to facilities

A multi-sector institution and the introduction of a common funding basis are not key criteria for a 'seamless system'; indeed neither of these propositions has any attraction. Nor is it in the interest of the client, or business and industry, to attempt to have the two sectors emulate what the other does better (e.g. research in the case of universities and vocational skill training in the case of TAFEs). The Business Council would, however, support partnership arrangements between the two sectors when and where client outcomes are maximised.

### **THE ROLE AND RESPONSIBILITIES OF A UNIVERSITY**

The Business Council supports the Committee's view that universities "contribute to the knowledge, ..informed citizenry and the quality of life" and that they should partake significantly in the development of the concept of life-long learning.

The Committee's position on the concept of a university as we move into the next century, may have been better served if the Paper had articulated a specific role and a clear set of responsibilities. An examination of the ways in which universities have changed over recent decades, and why, would provide valuable contextual information.

Insufficient distinction drawn between the Higher Education sector and the VET sector has blurred, rather than clarified, the future role and responsibilities of universities. The two sectors have clear differences and individual strengths which need to be acknowledged and respected rather than simply categorised as "post-secondary".

### **OVERSEAS FUNDING OF UNIVERSITIES**

It is clear that current levels of public funding will not cover the costs associated with running a world class internationally competitive university. While the Business Council would note the financial importance for universities resources derived from the provision of off-shore education over recent years, it believes the onus should be on the universities to maintain their competitive market positions during economic downturn. In today's competitive environment universities can not expect to be shielded by Government from the downside of the market, be it global or specific to a region.

### **INFORMATION TECHNOLOGY AND COURSE DELIVERY**

The Business Council generally supports the Committee's view that "new technologies offer cheaper and less expensive means of communicating information to large numbers of people" (page 11).

Access to learning within the global community has been greatly heightened by technology, particularly for Australian employers, employees and students located in remote areas. Facilitating an opportunity for all Australians to participate in ongoing, discipline specific learning, irrespective of the means, should be an objective of the university of the future. To this end the Business Council believes technology has provided universities with a wealth of opportunities to

better service existing clients, and attract new markets. Such opportunities should be exploited to the full.

This is not to say that the Business Council believes technology should, or ever will replace more traditional methods of face to face learning. To the contrary the Business Council recognises the many benefits associated with such direct interaction and notes that there is an ongoing need in many disciplines and courses for the development and assessment of students' interaction and communication skills.

I trust you will find these comments to be of some benefit as the Committee now moves to finalise its report.

Yours sincerely

David Buckingham  
Executive Director

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