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Mr Roderick West
Chair
Higher Education Finance and Policy Review
C/- Department of Employment, Education, Training
and Youth Affairs
GPO Box 9880
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23 December 1997

Dear Mr West

In response to your invitation, I am enclosing on behalf of this University some comments on the Policy Discussion Paper recently released by your Committee.

I am happy to provide any further information or comments that your Committee may require.

With best wishes.

C D Blake, AM
Vice-Chancellor

CHARLES STURT UNIVERSITY

RESPONSE TO

THE POLICY DISCUSSION PAPER

REVIEW OF HIGHER EDUCATION FINANCING AND POLICY

Charles Sturt University (CSU) supports the Policy Discussion Paper (Paper) statement of underlying principles for higher education, particularly its emphasis on access for all Australians and on life long learning. CSU also agrees with the Paper's view that Australian higher education faces challenges both nationally and internationally and that in meeting these, the sector must improve the quality of its services, while increasing the efficiency and effectiveness of all its operations. CSU also acknowledges that the number of participants in higher education must grow significantly over the next twenty years. How best to fund that growth is a central policy issue.

CSU is concerned that the Paper does not have a clear statement on the functions the Australian higher education system should fulfil. While the Paper concedes that "universities are broad cultural institutions"(p.42), it does not seek to develop this into a vision of the broad purposes of higher education in Australia. Instead, the recurring theme is that the future direction and emphases of the sector should be determined by reference to the "market" - a market in which students and industry are seen as the sole consumers. Neither staff nor governing councils of universities, nor governments appear to be given a major role in the direction of higher education. The development of knowledge, of community values and attitudes as well as the direct and indirect economic impact of regional universities, in particular, are ignored or mentioned almost incidentally.

It is with the central thesis of the Paper that CSU has most objection - namely, that Australian higher education is in "crisis" because it is inflexible, unadaptable and unresponsive, with a "higher education policy framework that is incapable of meeting national needs into the 21st century."(p.41). It is, claims the Paper, a sector that has lost its way and needs to develop "a vision that recovers a sense of purpose within higher education...."(p.3) The inevitable conclusion is that "there is a need, ..., for significant change." (p.3)

While CSU is conscious that universities need to continue to evolve and improve their performance, CSU does not believe that the Committee has demonstrated, either in the body of its Paper or in the commissioned reports, that the sector is in "crisis" and consequently in need of the radical changes in funding, governance and other proposals made in the Paper. In fact, the evidence in the Paper contradicts the view of crisis, demonstrating that the system has accommodated rapid growth in enrolments, with declining levels of real funding, by becoming more cost conscious and extremely entrepreneurial ..."Relative to the size of its population, Australia is a highly successful exporter of higher education services, with more overseas students per capita than the USA, the UK or Canada" (p. 16). The system has absorbed with remarkably few perturbations the former college of advanced education system into a unitary university system in 1989-90 resulting in at least doubling of the number of university students, the creation of twelve new universities and a broadening of the range of courses offered by the expanded university system.

On the basis of an unproven view of the need for radical change, the Paper canvasses alternative funding options. These options are seen as making the sector more responsive to students and

reducing the costs of higher education by introducing a price or modified tuition fee system. At no stage does the Paper demonstrate that the present system is unresponsive to students, nor does it examine whether fees have fallen in 'deregulated' markets such as the United States - (where in fact the "price of higher education in the United States soared from 1987 to 1993 but has stayed almost flat for the past three years" Times HED 28/11/97, p.11). Nor is there any evidence given in the Paper of the successful operation and impact of a funding system where students, rather than institutions, are the unit of funding.

The lack of analysis in the Paper is particularly disconcerting when it concedes that "some regional and newer universities could be more vulnerable to the increased competition associated with the creation of a more competitive market." (p.44) However, the potential damage to regional universities and the communities in which they operate is then passed over in an almost patronising manner. "Ultimately, this concern may be more imagined than real. Most regional universities are successful in recruiting a high proportion of students from their local region. For the majority of students, from regional Australia, the 'local' University is the university of first choice particularly if there is no obvious competition" (p.44) It is the lack of precision and real analysis in this response that is a weakness of the Paper. What exactly is a "a high proportion" - 20% or 70%? The answer is fundamentally important. For example in 1998, what proportion of students resident in Sydney will find it cheaper to pay fees to go to a university in Sydney rather than face the combined costs of relocating to a regional campus and paying HECS? There is, we believe, an obligation on the Committee to analyse the funding options canvassed and to assess their potential impact on universities, especially regional ones, and the wider community.

Throughout the Paper, the claim is made or implied that distance education is a lesser cost option than on campus teaching. The only evidence for this claim is the Global Alliance paper citing John Daniel's work on the cost effectiveness of mega Universities (p.21). Despite the fact that Global Alliance cites the work of Taylor & White, to indicate that distance education is not necessarily a lesser cost option, this is ignored by the Committee in favour of the research that suggests that distance education is a cheaper option. Once again CSU is disconcerted by the failure of the Committee to subject fundamental issues such as this to more critical analysis. A starting point would have been to scrutinise Daniel's findings. For example, to ask what 'number of students' means? Does this refer to headcount or a measure equivalent to EFTSU? If it is the former, then calculations of cost per student are meaningless. "Distance education" as used in the Paper seems to be equated to "correspondence education" and not necessarily to embrace the multimodal delivery systems now being employed to deliver courses off campus sometimes at greater cost but justified because of the potential of these methods of delivery to enhance access.

The Paper argues strongly for a levelling out of the playing field between public and private providers via the mechanism of providing 'public subsidises' to both public and private providers. The reality is that private providers are only likely to be interested in the high volume, high profit end of course provision. The Committee does not cite any Australian examples to the contrary. The Paper's faith in technology as the means of providing a diversity of offerings across Australia is indicative of another of its flaws - the failure to distinguish between the different cohorts of students in higher education, with widely differing learning styles and needs that the sector should meet. Is the Committee suggesting that the student straight from high school and the mature aged student doing a second or higher degree can and should be taught in the same way - that they both will benefit equally from on-line delivery of a course? The Global Alliance paper cites the 'Digitalthink' Company as a beacon of the "for profit" education provider using on-line technologies. Digitalthink offers approximately 10 short courses in web development, Java and related topics and on wine tasting,

that is, it offers only high demand/low cost courses. By comparison, CSU in 1998 will offer on-line some 32 courses and over 270 subjects, in disciplines ranging from social work and liberal arts, biological and physical sciences to accounting and management, with enrolments ranging from less than 20 to over 400 per subject.

The Paper regards research as needing to be "vigorous and ground breaking" and, presumably by way of contrast, views current research as being boring, lacklustre and pedestrian. It is difficult to know exactly what the Paper means by research as it is given such short shift. However, when research is mentioned it is noted in less than salutary ways. For example, the Paper views the existing framework as one that rewards "research activity" more than "excellence in teaching" and contends that there are greater incentives "for chasing" research income than teaching students well (p.3). This is elaborated later in the Paper (p. 19). This concept does not acknowledge research to be a fundamental part of academic life and scholarly activity. Research is viewed as an "activity" that provides income rather than seen as part of the excellence of scholarship.

The Paper's emphasis on applied research " with an emphasis on transferring knowledge, technology and skills to the community" (p.5) is noted. Such an approach which sees a strong role for applied research could be valuable if the "community" was defined as being more than "industry" or "commercial" interests. It is difficult to argue with calls for a more strategic investment in research infrastructure. However, "reform of research training arrangements so that the allocation of resources reflects student demand and employers' needs" (p.6) is an area that needs clarification.

The Paper does not seem to see any real linkage between research and teaching. CSU asserts that research informs teaching and that there is an essential link between the two. Many academics are involved in innovative research that "leads" and does not rely on "following" what others have accomplished. Research builds on what has already been done and will continue to do so, unless one wants a stagnant system which is bound to disintegrate. Engagement in research by academics assists not only in classroom teaching, but also in supervision of undergraduate and higher degree students.

The Paper acknowledges that there are strengths in the current research policy and funding framework, but also suggests that there are weaknesses that will inhibit the capacity of universities to operate effectively in the future. The Paper suggests that funds for research need to be more strategic and priorities for funding need to be explicit in order to minimise research resources. However, setting out uniform criteria or developing a unitary system for research funding may make it easy to develop efficiency and make it easier to monitor, but this does not necessarily develop a system that encourages appropriate, effective or useful research. Providing research funds to the institution under a block grant system and supporting research through project grants (allocated primarily on the basis of peer review) are both necessary. While a more focused set of national research priorities may appear to be attractive, the vital issues are *who sets the priorities* and *under what criteria*.