

The Review of Higher Education Financing and Policy

Thank you for your invitation to comment on 'Learning for Life'. (My previous submission was 88)

Firstly I found the document raised the issues that I regard as most important for a consideration of the next 20 years of higher education. However I believe the directions you suggest require the recognition of a plurality of objectives requiring several funding mechanisms appropriate to the nature of the objective. Some of these objectives relate to student access, some to national objectives. See below.

I strongly support the 'Way forward' as set down in pages 27-30 of chapter 4. This includes the concepts of seamlessness, and of a lifetime post-secondary education entitlement. However these will take time. The seamlessness also requires changes to the secondary education system and the VET systems. When introducing entitlements one also needs to recognize that school leavers, mature age entrants and employees differ in their social, access, and levels of contribution. It is also important to recognize that employers are also clients of the post compulsory system as well as individual citizens, some of who may also be their employees. The difference between a person enrolled as a citizen and one enrolled as an employee has important funding implications for any future system.

I support the third of the 'Student centered funding models'

Objectives and funding mechanisms.

The recent experience of the VET sector should be looked at more closely. They have experimented with the parallel use of a range of funding mechanisms to meet different markets. The paper delivered by Dr. Mark Harrison has at the 'Funding our future' Conference develops the argument well.

I see the following legitimate activities of the University of the Future as requiring particular funding mechanisms.

School leavers. A percentage of school leavers, based on merit, should be enabled to access university education, regardless of their economic or social circumstances. This can be through the current HECs and Austudy based system or some equivalent entitlement, which puts the choice in the hands of the student rather than the institutions. For school leavers the HSC type system of selection is not perfect but workable and is in existence.

Mature age Citizens. Here the HSC is largely irrelevant as an indicator of success. Motivation, maturity, and experience are better indicators. Also the economic circumstances of the intending students are far more diverse. The concept of entitlement could be introduced immediately for this group. If the demand exceeds the government's preparedness or ability to pay, then I would suggest a ballot system.

Industry programs. Here I refer to employers who wish their employees to pursue educational programs that will enhance the enterprise's profitability and competitiveness. Here the balance of benefit shifts more to the employer and the society. Also the nature of the need shifts from tuition to curriculum, student support and delivery mechanisms. From the 10 years of Australian experience I would suggest that the Committee revisit the experience of the VEF, NSW ETF, and QEF in the early 90's and of the developing experience VET is having with User Choice. The VEF etc. focused on the funding of curriculum development rather than delivery. It also funded the employer's choice of provider, as does User Choice. User choice goes further and also funds some tuition costs and

wage replacement (for apprenticeship and traineeship). The experience so far is that this form of funding forces the educational institution to be responsive to industries needs and those changes also flow into other activities of the institution. It also forces the employer to think and plan more about the nature and value of education and training.

Other funding mechanisms required to respond to the plurality of objectives but which not relate directly to the nature of the student.

National Interest. Where there is a gap in the system either for program development or delivery the government should use project funding and tendering to develop the program and then the above mechanisms for its delivery.

Conservation- maintaing the gene pool. Where the government is concerned that there is an imperative to preserve, at one location, an area of university study that would not be supported by market forces. E.g. Classics, Sanskrit, anthropology. Nuclear physics, Aerodynamics, it should fund the activity at one university. The tendering mechanism should be used to select the university and there may be a need to top-up the recurrent funding above that which the above mechanisms allow.

Research. The discussion in the report covers most needs. The need for tax incentives for investment in research needs to be stressed, as does the need for the recognition that venture research capital to be counted towards the calculation of infrastructure funding.

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