

Reponse to Learning for Life: Review of Higher Education Financing and Policy: A Policy Discussion Paper, by Roderick West (Chair) and Committee, DEETYA, Canberra, November 1997

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I. Introduction and Overview

The West Committee review is a curious hybrid, which pushes two already existing trends in the higher education policy debate almost to their respective extremes: (1) the pursuit of ambitious and noble educational and equity goals, along with (2) rather narrow and one-sided economic criteria and contestible cost-cutting experiments.

On the one hand, and on the positive side, West's committee advances the access, equity and social justice policy criteria to a remarkable extent. It not only restates these objectives but concretely proposes a universal student "entitlement" to a 5 year, open-ended, government- financed learning account, available to all, at any time, in any accredited higher education institution. Further, it argues for at least the maintenance of existing levels of public funding (noting that the system is comparatively not very well resourced), and it suggests that quality must be maintained (also proposing a new body to act as an accreditation and prudential financial supervisor/guarantor for the new system). The Committee even speaks highly of culture and democratic citizenship as goals as well (even if these values are ignored in the bulk of the review).

On the other hand, and less welcome, there is the most radical set of "economic rationalist" proposals for restructuring a higher education system in the western world (with the possible exception of New Zealand).

Following closely a number of commissioned submissions (which are usually more coherent, factual and rigorous than the main body of the report), and especially the Appendix 11 by Global Alliance, West's Committee suggests another decade of major change towards the (dis-?) utopia of a nearly completely deregulated and competitive higher education system, with no "protection" for public institutions or barriers to entry to private, for profit, TAFE, and/or foreign educational providers. Moreover, the new global market place will be increasingly reliant on new technologies, which will mesh with competitive pressures both to maintain quality and to drive down costs in the increasingly diverse niches of the international system.

These two extremes are both inadequately analyzed and sustained by argument and data. Despite taking numerous submissions and visiting an impressive set of Australian and foreign (US, UK, and Swedish) institutions, the West Committee's horizons seem surprisingly narrow, and limited to their restricted terms of reference and the prevailing political correctness of the Canberra bureaucracy. Moreover, the links between the emphases on students, access and teaching and the means chosen to attain educational goals by student-based funding in a competitive market are simply presupposed--even though they may be contradictory and unworkable.

II. Some Positive Themes from the Review

- continued expansion of the system
- lifetime, universal learning entitlements
- no mandatory undergraduate upfront fees/maintenance of HECs
- extension of HECS to TAFE
- base HECS on percentage of course costs, not on potential future earnings
- maintain target equity funding, e.g. Indigenous Australians
- maintain/increase public funding, as dominant provider, using \$ target/EFTSU
- compare costs internationally
- recognize community benefits from higher education
- facilitation of private philanthropy, and change to tax laws to help
- prudential financial supervision/guarantee body
- system-wide accreditation and quality guarantee body, both under grad and post-grad
- need for improved research infrastructure
- need to take account of differential value of existing physical plant and location
- respect for institutional autonomy
- suggestion for better tax treatment of post-graduate education costs
- any changes to be phased in over ten years

III. Some Significant Absences

- staff perspectives: academic freedom, morale, collegiality, reform fatigue (especially given the recognition of the unease within the system already and the need for staff cooperation for success in implementing major reform)
- academic salaries and conditions, limits to productivity bargaining, tenure versus casualisation (especially given the unanimity among the commissioned reports on the unsustainability of the current industrial relations framework)
- the definition of a "university" and/or "higher education" and the desirability of a link between research/scholarship and teaching and costs of any split therein
- need for liberal or general education, [as recommended by OECD, 1997!]
- need for basic and curiosity-driven research and problems of establishing and implementing national priorities
- need for system stability, time lags, tenure
- the philosophical distinction between teaching (from above) and learning (from below) at university level
- the non-profit character and ethos of most education institutions
- the problems of "accountability" to students' choice and the market failure (especially excess demand for scarce positional goods)
- the need for higher education to conserve core knowledge
- the limits on student experience and choice (lack of mobility, monolingualism, poverty)
- the details of any accreditation process
- the inequalities and inequities of an American style university system
- the likelihood of higher than HECS, deregulated fees to deter lower SES groups

- the non-teaching roles of higher education (community service, information, etc.)

IV. Overemphases

- neo-classical/economic rationalism: education industry, national wealth, lower costs, market competition and contestability, deregulation, privatisation, flexibility
- universities should help business to use their(university) research
- research students should help with industrial R and D
- physical plant should pay a market rate of return to government, to create venture capital
- hi-tech, cyber technology as substitute for face-to-face teaching and source of lower costs
- student choice as system regulator
- gamble on direction of global education market and need for constant change
- analysis of strains in existing system and unwillingness of government to fund
- absolute primacy of teaching and no necessary right to conduct research; separation of teaching/scholarship from research

V. Errors

- higher education is said to be funded still on “historical” basis, [despite relative funding exercise and revisions to base operating grants to reflect low/average real teaching costs, local and international relativities, and programmed reductions in operating grants since 1975]
- the existing institutions allegedly have no incentives to respond to client or market signals [despite underfunding, clawbacks, steering at a distance incentives and penalties, profiles, full-fee deregulation]
- institutions enjoy “certainty” in their funding, [despite periodic and sudden policy changes imposed by DEET/new ministerial initiatives out of the blue]

VI. Contradictions

- preference for funding by output/performance versus vouchers (which are envisioned as inputs); if vouchers were allocated only for successful completions instead, quality would suffer presumably as fewer students would be failed, and funding for failing or incomplete studies would be problematic
- preference for mobile, short-term, post-grad research student funding by national scholarships versus need to built up concentrated resources, teams and research infrastructure and length of average Phd candidature which is more longterm than annual funding cycles
- emphasis on competition between academic units versus needs for cooperation for economies of scale and national priorities
- emphasis on school leaver teaching needs versus role of academics as guides to cyber-education resources for mature, independent and professional students
- industry needs versus cultural and citizenship requirements
- national priorities versus global markets and foreign education providers (with a head start and more resources)

- access and equity goals versus lower costs and reliance on Internet/WWW (not available to all yet)
- emphasis on high-technology teaching versus the prohibitive start up costs of many high quality Internet courses (especially among 36 sub-optimal competitors)
- financial security of institutions versus deregulated market
- quality of education versus lower costs
- accreditation requirements versus less control and regulation
- hope for competition leading to lower costs versus actual American experience of higher costs and fees
- good teaching experience (often liberal arts) versus vocational/professional teaching experience (often less satisfactory for students)
- flexibility versus student reluctance to be geographically mobile

VII. Conclusion

The Australian higher education system has suffered, both recently and over the last decade, a number of avoidable mistakes. It cannot continue unscathed with the current enterprise bargaining system, with falling levels of public funding, and with the need to remain internationally competitive in quality, technology and morale under a system which is starved of adequate resources, agreed and stable policy settings, rationality and legitimacy.

After ten years of controversy and constant fiddling, the system deserved better than imposed and gratuitous cuts, followed by the promise of a visionary review which fails to engage honestly with the ideas of most managers, staff and students. The system is diverse and often divided; the challenges of the future are difficult. The West Committee needs to rethink its entire approach, re-establish its autonomy from government, and re-engage with the people at the coalface in the system. Otherwise, all its efforts will most likely be wasted.