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Mr R West
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The Review of Higher Education Financing
and Policy
Location Code: 728
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Dear Mr West

The Edith Cowan University community has considered the discussion paper
Learning for Life: Review of Higher Education Financing and Policy and encloses
herewith its response and recommendations. The University looks forward to the
final report

Best wishes for your deliberations.

Yours sincerely

Millicent E Poole
Vice-Chancellor

EDITH COWAN UNIVERSITY
RESPONSE TO THE WEST REPORT:
"LEARNING FOR LIFE
Review of Higher Education Financing and Policy"

GENERAL REACTIONS TO THE REPORT

The Edith Cowan University community has considered carefully the West Report, its overview of the current state of higher education in Australia, and recommendations for change.

The University supports the West Committee's views that:

1. The higher education system is moving towards a seamless post-secondary education system;
2. The system is moving into a more competitive environment, both nationally and internationally;
3. Lifelong learning will become increasingly important;
4. Greater emphasis needs to be placed on teaching and learning with particular emphasis on student-centred learning;
5. There must be equality of access and opportunity for all Australians;
6. Information technology will play a profound role in the future of higher education.

However the University has serious concerns regarding the general thrust of the Report and many of its recommendations. In particular, the University:

1. Is opposed to the notion of student-centred funding and a totally market-driven approach to post-secondary education;
2. Is opposed to funding mechanisms for teaching and learning, and research that "lock in" the already privileged positions held by the older sandstone universities;
3. Is disturbed by a lack of consistency within the Report that, on one hand argues for deregulation, while on the other proposes highly regulated (and inevitably expensive and bureaucratic) national systems for student entry, the provision of postgraduate scholarships, institutional accreditation schemes and infrastructure "taxes";
4. Would like to see greater recognition of the contribution of Australian universities to the national research effort and the importance of research as a part of university culture.

The University wishes to make comments in relation to the following areas:

1. The case for reform
2. Teaching and learning
3. Funding of learning and teaching
4. Research and development
5. Research funding
6. Equity
7. Closer articulation between the VET and higher education systems
8. Costs associated with regional campuses.

1. THE CASE FOR REFORM

The report (p.2-3) suggests some significant weaknesses within the current higher education system. While it is true that universities are experiencing financial pressures, these are due mainly to the ongoing reduction in government funding and recent unfunded salary increases. Other perceived weaknesses are largely unsubstantiated.

Universities are predominantly domestic in focus

Like many other universities, Edith Cowan University is becoming increasingly international in outlook: ECU enrolls large numbers of international students (1388 in 1997); the University has a significant semester abroad scheme (73 students in 1997); there are numerous memoranda of understanding and agreements between ECU and various overseas institutions relating to teaching and research; and increasingly internationalization is an important aspect of course curricula.

Accountability

The Report suggests universities are not accountable to students. Universities are increasingly accountable to a range of stakeholders through a variety of mechanisms, ea. to University Council through five-yearly faculty reviews; to professional associations through external accreditation processes; to DEETYA through a range of reporting mechanisms; to the Higher Education Council through the new quality assurance requirements; to State Government (through Annual Reports and State Auditor General requirements); and through a variety of external measures, ea. course experience questionnaires, graduate destination surveys, university guides of various kinds; and unit evaluation processes that involve direct feedback from students.

Equity and Access

The Report suggests that little progress is being made in relation to the problems of equity and access. This suggestion is also challenged. ECU, through a variety of mechanisms, has and continues to address these important issues. Several strategies, including alternative entry processes, flexible course delivery options and student support mechanisms are all currently being utilised.

Inconsistent Mix of Institutional Freedom and Central Control

The recommendations in the Report are likely to exacerbate this situation. While the Report argues for deregulation of university fees and student-centred funding, the proposals for national systems to deal with university entrance, ranking postgraduate students and accreditation procedures will be extraordinarily bureaucratic and represent an unreasonable level of interference in university autonomy.

Ineffective Management of the Interface between the Higher Education and Vocational Education and Training Sectors

Although there is significant room for improvement, a great deal of activity is happening Australia-wide and at Edith Cowan University in relation to this issue. At ECU, well defined processes for articulating between TAFE and ECU awards are in place; special advanced standing is provided in appropriate areas; and a joint degree programme is commencing with the Central Metropolitan College of TAFE in 1998.

2. TEACHING AND LEARNING

Enhanced Emphasis on Teaching and Learning

Edith Cowan University places significant emphasis on the quality of teaching and learning (ea. faculty teaching and learning grants, university teaching and learning awards, recognition in promotion criteria, support for flexible learning initiatives) and supports its wider recognition across the higher education sector nationally.

Student-Centred University Environments

ECU embraces the concept of a student-centred university environment which is central to the University's current strategic planning. For example, the University provides alternate entry opportunities, flexible pathways (closely articulated and in some cases integrated with VET courses), provision of a summer semester in selected areas, and a wide range of student support mechanisms (ea. academic skills advisers, research consultants).

Student-Centred Learning

This is also a central element of the University's planning. For example, the University provides flexible learning options (conventional on-campus, external, and increasingly on-line); support through a Virtual Campus; industry relevant courses (all courses have consultative committees with industry representation); increasingly internationalised curricula; opportunity for a semester off-shore; and opportunity for industry experience (ea. CEED Programme).

Lifelong Learning

Edith Cowan University embraces the concept of lifelong learning proposed within the Report and already offers a wide range of courses designed to meet the requirements of industry and professional training.

CUTSD and National Teaching Awards

ECU supports the continuation and expansion of CUTSD grants and the National Teaching Awards as a way of enhancing the quality and recognition of teaching and learning within the university sector.

Influence of IT in Teaching and Learning

Edith Cowan University has a history of achievement in the use of IT to improve teaching and learning and endorses the Report's recognition of its impact within higher education. At ECU, and throughout the sector, IT has the potential to: improve the quality of teaching and learning; provide a range of learning options for students; and improve access for geographically disadvantaged students.

On several occasions the Report suggests that the use of technology will reduce costs in course delivery. While technology provides significant potential advantages, as listed above, it is unlikely to lead to a reduction in costs over the next decade. Comparison of costs associated with conventional on-campus, conventional external and on-line delivery options lacks validity unless account is taken of development and maintenance costs and the different needs and expectations of students undertaking studies in these different environments.

Quality and the Proposed National Scheme for Accreditation of Institutions

Edith Cowan University agrees that high quality tertiary education and a commitment to continual quality enhancement are essential elements in the future higher education system. The 1993-95 Quality Reviews identified high quality outcomes throughout the Australian higher education system. However, several elements of the Report, if implemented, could seriously undermine the quality and reputation of the Australian higher education system. ECU's position is that:

- While increased competition in the higher education sector is recognised, the concept of a totally market-driven higher education system is fundamentally flawed and is strongly opposed;
- The large scale entry of private providers and inter-university competition based on price, as recommended in the Report, represent a serious threat to the quality of higher education within Australia;
- The possible failure of some universities (in a market-driven system) and the entry of "cheap" education providers could seriously damage Australia's reputation as a high quality international provider of higher education;
- The proposal for a national scheme that accredits institutions (and/or courses) is rejected as being unnecessarily bureaucratic, unworkable, expensive and an unreasonable intrusion into university autonomy.

3. FUNDING OF LEARNING AND TEACHING

The current policy and financing framework has served Australia well and has produced a strong and diverse higher education sector which is becoming increasingly competitive and efficient. Increased competition has resulted from the move from an elite to a mass system; the increase in professionalism of university management; increasing demands placed on institutions by stakeholders including government, employers and students; and the development of international student programmes. Increasing efficiency has been required to operate within reducing resource levels available and to self-fund salary increases.

Level of Government Funding Provided

Edith Cowan University supports the Report recommendation that Government should continue as the dominant provider of higher education funding. In this role it is important that:

- Government recognises the inevitable increase in demand that is likely to occur in the future;
- Increased levels of Government funding (student places) be provided to support growths in States such as Western Australia and Queensland;
- Government funds future staff salary increases and other increased costs where these arise;
- Any expansion in provision does not lead to a per capita decline in government funding;
- In view of the "public benefit" provided by a strong higher education system, it is recommended that students' contribution to the cost of their higher education (including HECS) should be restricted to a system average of 25-30% of the costs of their education.

Differentiation of Fees and Funding

The Report proposals to deregulate university fees and differentiate course fees (by discipline and/or year) may have serious unintended repercussions in terms of equity and -meeting Australia's needs for an appropriate graduate mix. In particular:

- Edith Cowan University does not support a fully deregulated undergraduate fee regime as this will almost inevitably lead to decreased equality of access and opportunity for disadvantaged students wishing to undertake high demand courses at high status institutions;
- ECU does not support, at the undergraduate level, different fee structures for different disciplines. It is also unfortunate that differential HECS has been introduced as this is likely to discourage students from entering some courses which are expensive but for which the public benefit is high, eg. science and engineering. This may impact negatively on Australia's capacity to develop a truly competitive economy. The University would like the Report to recommend that government revisit this issue;
- ECU does not favour differentiating the level of public funding by year of study. Funding based on year of study adds another level of complexity and may result in unanticipated perturbations of University profiles;
- For post-graduate research degrees, ECU recommends continuation of a regulated "fee" structure;
- For post-graduate coursework degrees, the current deregulated fee regime is supported, although recognition of the need for lifelong learning and likelihood of changing employment profiles may require a reconsideration of this issue in the future.

Student-Centred Funding

Edith Cowan University has serious reservations about moving towards a student-centred funding model. In particular there are concerns that:

- The student-centred funding model is based on unjustified faith in a free market approach to the development of a high quality tertiary education sector;
- This model is likely to lead to a division of universities on perceived status lines with considerable risk to the viability of some regional and newer metropolitan universities; radical shifts in student load could lead to a significant under utilisation of expensive government investment in campus infrastructure;
- The provision of government funds to private universities and the encouragement of inter-university competition based on course fees may impinge negatively on newer universities such as ECU and "public" universities more generally. Contrary to the suggestions in the Report, it is difficult to establish how Australia would benefit from the diversity offered by a proliferation of private providers (funded essentially from the public purse). While such institutions may be able to provide education at a lower price, this would inevitably lead to a decline in quality.

An element of private competition is already evident within the Australian higher education sector. Institutions such as Bond University and University of Notre Dame, Australia represent useful experiments which are likely to provide a model for other developments in the future. The other component of the private sector, private colleges which operate on the basis of franchise or other agreements with universities, constitute

another important element of the developing system. There is a risk however that opening up higher education to the private sector in a highly deregulated environment will result in a proliferation of private colleges that offer a cheap but very limited range of opportunities for students. This will almost inevitably lead to a decline in quality within the higher education sector and a loss of Australia's international reputation for providing high quality tertiary education.

Student Contribution to Higher Education

Edith Cowan University supports students making a reasonable contribution to the costs of their higher education. As suggested above, it is recommended that this contribution should not exceed a system-wide average of 25-30% of the costs of their education. Contributions above this level or increased HECS charges are likely to impact negatively on participation rates, particularly among disadvantaged groups.

Infrastructure Charges

Within the more difficult current financial environment, universities are seriously looking at the utilisation of their current infrastructure. The proposal to introduce an infrastructure charge appears to be based on a desire to provide "equal" access to private providers (using government funds) to operate in competition with government-funded institutions. ECU is strongly opposed to the notion of an infrastructure charge because: a significant component of university infrastructure has already been provided from nongovernment funding sources; such a system would prove extraordinarily difficult and expensive to assess; and there are no obvious benefits to the system.

Proposed financial models

Edith Cowan University acknowledges the need for the higher education system to continue to become more competitive and efficient. These objectives can be achieved, however, within the existing framework without damaging the high quality system which has been developed over many years. In this context ECU is strongly opposed to funding Models 2 and 3. It would only support Model 1 if this does not result in any further erosion of the level of government contribution towards the costs of university programmes.

4. RESEARCH AND DEVELOPMENT

Role of Research in Universities

The Report does not adequately recognise the role of universities in research, the importance of research in university culture and its role in informing and enriching teaching, and the relationship between research and development and national economic prosperity. In particular Edith Cowan University:

- Believes the Report is seriously flawed because of its almost exclusive emphasis on the teaching function; crucial roles including knowledge creation, knowledge diffusion, knowledge braking, knowledge conservation and knowledge transfer receive scant attention;
- Believes that an educational institution without a research ethos will have lost the essence of being a university;

- Recommends that the Report emphasise the importance of research in informing and advancing teaching and learning;
- Recommends that the Report recognise and support the view that academic staff would normally expect to undertake research and should normally be supported in that endeavour.
- Recommends that the Report emphasise the valued role performed by universities in research and development;

Research Priorities

Edith Cowan University is aware of the priority setting processes discussed within the Report and a number of other federal government reports that address national priority setting in research. The University is also aware of the industry-related priority setting undertaken by a number of national research funding agencies that are part of the Commonwealth competitive research grants grouping. However it is not clear how the ARC takes account of these priorities within its own planning processes, or the practical effect that designation as a priority area has on the distribution of funding. In our view, the processes for ARC priority setting should be more transparent and the practical ramifications of these priorities should be better explained.

In relation to the recommendations within the Report:

- ECU is supportive of the notion of national priorities as long as these are defined, not simply in narrow economic terms, and there are sufficient discretionary funds available to also support an adequate balance of fundamental, curiosity-driven research within the national research portfolio;
- While the suggestion that the transfer of knowledge and skills between higher education and industry should receive higher priority has some merit, enhanced industry contribution to university research and appropriate tax incentives are important considerations in achieving this objective.

Research Training and Scholarships

The Report argues that research training should provide students with an ethical framework and generic work-place competencies, as well as research related skills. In our opinion, the most appropriate setting for the development of generic work-place competencies is at the undergraduate level. Postgraduate research degrees will inevitably foster refinement of these skills together with development of a range of research-related skills appropriate to a diverse range of career paths that research degree graduates are likely to pursue.

With regard to funding of postgraduate research degrees and scholarships:

- The Report has suggested the need for cross-institutional and cross-disciplinary quality assurance and moderation processes for research higher degrees. ECU believes that the existing external examination processes for research higher degrees perform this function well. There is no need for a defacto league table of research institutions to help students decide where to study. In addition, it should be recognised that many students decide where to study on the basis of the perceived quality and expertise of individual research supervisors rather than a specific institution;
- Portability of research scholarships already exists in that students are able to transfer between institutions and carry research scholarships with them;

- The Report proposes, in the context of student-centred funding, the establishment of a national merit list of graduates. This proposal is opposed as being unnecessarily bureaucratic, expensive, potentially inequitable, unworkable and an unreasonable intrusion into university autonomy.

5. RESEARCH FUNDING

1. Block funding is presently allocated in a manner that is not in the national interest. If block funding is to be a feature of the research funding system it should place greater emphasis on research outputs rather than the current emphasis on inputs. Research inputs, such as the level of competitive research grant funding, have limited validity as a mechanism for determining research funding and skew national research effort towards achieving research inputs rather than outputs. Research outputs (such as refereed journal publications) provide a better measure on which to base funding allocations and a measure that can be monitored for quality as well as quantity.
2. An increase in the proportion of operating grant allocated to the research quantum, as proposed in Models 2 and 3, will amplify the negative effects resulting from input-driven research fund allocation and further distort the national research effort in response to this negative and artificial reward system.
3. The input-based approach is also undesirable in that it effectively protects the status quo in terms of current university research status, lessens the level of real competition for research funds, and prevents high quality and innovative research at newer universities from gaining adequate support due purely to institutional setting.

More specifically, Edith Cowan University recommends:

- That project-based research funds should be allocated competitively and all researchers and institutions should be able to compete for these funds. In other words, research funding should be distributed to the best researchers and best projects independent of the institutional setting in which they operate;
- That the balance of funding between project and block grants for research should not be shifted towards distributing a greater proportion of funding through competitive block grants. Such a shift would, of course, favour the older institutions, but not necessarily the best researchers;
- The proportion of operating grant distributed as institutional block funding for research should not (as proposed in Models 2 and 3) be increased. Research evidence indicates that research productivity is not strongly correlated with research group size and there is no compelling argument to support the view that research funds should be concentrated in old and established universities that have historically received a large share of research funds;
- Research funding Model 1, but modified to place more emphasis on research outcomes in the allocation of research funding;
- That if the target benchmark of 40 cents of infrastructure funding for every dollar of project grant is introduced, this should be achieved without diminishing the funds to be allocated to research projects.

6. EQUITY

Vision

Edith Cowan University supports the position adopted in the Report that:

- No Australian with the intellectual ability to succeed in higher education should be denied access owing to his/her social or economic circumstances;
- No student undertaking a first qualification should be required to face upfront payment of tuition fees.

Specific comments regarding the effects of deregulated and differentiated fee structures and student-centred funding are set out below:

Deregulated university undergraduate fees

- The proposed deregulation of undergraduate fees (in a student-centred funding regime) is likely to lead to much higher fees for popular courses in high status universities. This may prove to be a significant disincentive to students from financially disadvantaged groups.

Differentiation of university fees by course discipline

- This proposal may reduce participation by disadvantaged groups in more expensive courses. Not only is this inequitable, but it would be contrary to the national interest if capable students are discouraged from enrolling in courses which are important to the country's economic development;
- Consistent with the point above, ECU is opposed to differentiated HECS fees on the basis of course discipline;
- The proposal to establish a national tertiary entrance scheme is likely to reduce participation in tertiary education among disadvantaged groups as flexible entry processes currently provided by institutions such as ECU represent an important mechanism for encouraging participation.

In relation to equity and access, the following should also be noted:

- Students from disadvantaged groups need enhanced student support services to improve completion rates;
- Anecdotal evidence suggests that changes to Austudy and Abstudy will have a detrimental effect on participation rates amongst students from disadvantaged groups.

7. CLOSER ARTICULATION BETWEEN THE VET AND HIGHER EDUCATION SYSTEMS

Edith Cowan University:

- Supports the Report proposal that the VET sector should retain its distinctive mission;
- Supports the suggestion that there should be greater efforts to rationalise arrangements between the VET and higher education sectors. ECU is providing leadership in this area with well defined articulation arrangements and provision of joint courses;
- Believes that closer relationships between the VET and higher education sectors can be achieved by less disruptive mechanisms than the proposed student-centred funding model (a major inhibitor to enhanced collaboration is the separate responsibilities of the Commonwealth and State Governments in regard to these sectors).

8. COSTS ASSOCIATED WITH REGIONAL CAMPUSES

Edith Cowan University has a small regional campus at Bunbury, in the State's Southwest. The important contribution made by regional universities and campuses to regional development throughout Australia is addressed in Appendix 12 of the Report and is endorsed. However, the relative costs of operating small regional campuses are quite high and it is recommended that a comparative analysis be undertaken to assess the costs of operating such campuses and ultimately to address an equitable mechanism for their funding.

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