

Dear Rod

I thought that you might like to have my reactions to "Learning for Life." In general, I believe it to be a very worthwhile paper, given the difficulty of the subject matter and the complexity of the processes that had to be undergone. No one should want to argue with the principles of enhancing access and student centredness or the notion of a seamless range of postsecondary opportunities. It is unfortunate that academics, students and politicians have reacted so negatively, clearly without having read the paper with any care. My reactions follow.

Deregulation

You will not be surprised that I strongly support the deregulatory flavour of the paper. My support is based on the desirability of decentralised decision making in a system of higher education as large as ours compared with management by a centralised bureaucracy.

Decentralisation is, I believe, more important than competition per se. The paper seems to me to overstate the virtues of competitive markets. Competitive markets have virtues, but they also have limitations and do not always work effectively. Incidentally, it is worth noting that competition may as easily lead to convergence as to differentiation. Moreover, the concept of the "student as customer" requires an important qualification. Whatever the access students have to information about universities and their courses, the nature of the education they require is known not to them but to their teachers. Indeed the acquisition of such education is the very reason for their enrolment. They cannot by their nature be "well informed customers" as they might be if buying a car or a suit of clothes.

Emphasis on competitive markets has given the paper an ideological flavour which has generated opposition to it.

Likewise, Appendix 11 - the Global Alliance paper - is off-putting to many in academe with its emphases on education as a business, profit, venture capital, global markets etc. Of course, education is an industry in the sense that the ABS uses "industry" to classify where people work, but education is not a business in the ordinary sense. Education is generally a non-profit operation. This is as true for private institutions as for public ones. The US private universities are essentially non-profit corporations.

There may well be business opportunities in the provision of learning packages and they may attract venture capital, but I do not see their replacing the system of education

as we know it today. Universities are not about to become attractive investment opportunities for venture capital - *Wide Bond!* Incidentally, the Global Alliance paper mentions that venture capital investment in education in US in 1996 was US \$162m (page 63): in Australian terms this would scarcely amount to \$10m - a relatively trivial amount.

This brings me to the role of institutions in higher education. The paper talks a good deal about learning packages, distance learning, the use of the internet etc. This gives the impression that the age of the university as an institution is coming to an end. Not only do I hope that this is not so, but I believe it not to be the case. In spite of all the talk of information technology, in 1996 there were only 1300 EFTSU registered in the OLAA compared with a total enrolment of over 490,000 EFTSU - about one quarter of one per cent.

I doubt whether the future will differ from the past by a quantum leap. Universities as institutions are important and students will attend them. The experience of being one student among many at an educational institution (school/university/TAFE) is worthwhile of itself, as is the coherence of a properly structured course and the broad understandings of the physical, social and moral worlds that should emerge from a university education. Moreover, without post-school education institutions' absorbing hundreds of thousands of young people the labour market would both be oversupplied and underskilled.

Funding of teaching

I agree that Model 3 is the ideal, and certainly should be the ultimate objective. There will be practical problems relating to Commonwealth/State relations and to preventing VET awards mimicking university ones. I am not convinced that a move to a universal entitlement would not raise government expenditure substantially -the concepts behind and implications of the arithmetic on pp 150-1 need careful examination.

As you would expect, I support strongly Model 2. The limitations on HECK availability was suggested by me purely for fiscal reasons, but if the upper limit was dropped (as suggested by Pincus/Miller and Chapman) then the main disadvantage of Model 2 noted in the table on page 163 would disappear.

Model 1 seems to me to be absolutely the minimalist position. By allowing universities to fix fees which are HECS liable they will have some hope of arresting the present downward spiral. However, there needs to be a critical amendment to clarify the fifth dot point of Model 1. This should read: "the level of government funding per

EFTSU consistent with post-1996 rates of HECS is maintained."

The question of order of merit lists is raised on p 29 and pp 151-2. I do not believe that it is impossible to produce a satisfactory ranking across Australia for school leavers. For mature entrants the Special Tertiary Admissions Test (Australian Council for Educational Research) could be used. Allocation of places on a State basis is to be avoided, as inevitably political considerations will take precedence over the legitimate interests of student demand.

Funding of research training

I agree that research students should be treated in a similar fashion to undergraduates (Model 2), but the development of a national rank order list of potential PhD candidates will be very difficult. It requires a lot more thought.

The question of whether institutions should be accredited to offer PhDs in particular fields needs to be addressed. If there were only a dozen institutions in each major field, the allocation of PhD scholarships would be easier to resolve.

Research funding

This topic clearly needs further development, especially the issue of whether research effort ought to be more concentrated and not spread thinly among 36 institutions. The distinction between "corporate research" and "private research" drawn by Professor Mary O' Kane in The Australian on 19 November would be worth pursuing.

On the question of setting research priorities, I would doubt the value of such priority setting except in the very broadest of terms. Decentralised decision making is more likely to be successful in picking winners than wisdom laid down from on high.

Gaps

Higher Education Commission. Whatever direction the higher education system takes in the next few years, there will continue to be a need for central government administrative actions, policy advising and objective monitoring of higher education. These should be undertaken by a statutory Higher Education Commission. I have already given you my views on this. The omission of

reference to such a commission in the discussion paper is in my view, a serious flaw. The experience of the last decade has amply demonstrated that, in the absence of a statutory Commission, decisions affecting higher education will be decided on political as much as on educational grounds.

Concentration. The desirability of some concentration in research and research training needs exploring. We are in danger of regressing to 36 mediocre institutions. Competition alone will not resolve this problem, since it may lead just as readily to convergence as to differentiation.

Institutional issues. The discussion paper does not pay much attention to institutional issues. If I were asked to name the three most challenging issues facing the senior management of individual universities today my choice would be: coping with declining real resources;

avoiding distractions from the university's core business (which I take to be teaching Australian students);

maintaining institutional coherence (especially in very large institutions). Keep up the good work. Seasons Greetings.

Yours sincerely,

Peter Karmel

[\[Return to Top\]](#) [\[Return to Index\]](#)