



Forward from the Crossroads: pathways to effective and diverse Australian universities

THE AV-CC SUBMISSION
TO THE HIGHER
EDUCATION REVIEW

September 2002



Australian Vice-Chancellors' Committee
the council of Australia's university presidents

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(A.C.N. 008 502 930)

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Foreword

We are going to have a proper examination and, when that examination is completed, we will be announcing policy which will be to the long-term benefit of the tertiary education institutions of this nation and to the long-term benefit of current and aspiring tertiary education students.

The Prime Minister, the Hon. John Howard, MP, *Hansard*, 20 June 2002

The current review of Australia's higher education sector, initiated by the Minister for Education, Science and Training, Dr Brendan Nelson, has provided a timely opportunity to reflect on the present state of our universities. As a nation, it is now critically important to consider how best our universities should develop to meet the demands and expectations of our students, business, industry, government, and the community at large.

The AVCC strongly advances the need for a flexible "Framework of Choice" that will support each university to excel in those areas of teaching, learning and research that it does best – and not encourage universities to be all things to all people. In short, we must maintain and grow a diverse sector of high quality.

The outcome of the review process should be to devise the structural base to underpin substantial re-investment in our universities from both public and private sources. We must reverse the current trend of inadequate public investment in universities. Investing in universities is as much a defence of the nation as defence expenditure itself.

Looking to the future, we have set down four symbols for the future that must be embraced as the core part of the reform process.¹ By 2020:

- Australia should be ranked in the top five nations for higher education excellence, investing at least two percent of GDP in its university sector;
- we should have at least one, recognised, world-class research centre in each significant academic field;
- higher education services should be one of the top three value-adding Australian exports; and
- over 60 percent of Australians should be completing higher education over their lifetime from a wide choice of quality universities, which would rank Australia amongst the best in the world for levels of university education. (The current figure is about 40 percent).

Each of these is achievable if the reform process we embrace today is underpinned by investment for the future.

The higher education review presents the nation with the opportunity to reshape Australia's university sector: to have diverse universities which are truly comparable to those around the world, open to all, relevant to student and national needs, and fully engaged with the wider community.

¹ AVCC, *Positioning Australia's Universities for 2020*, 2002

The AVCC also recognises that the universities themselves must continue to embrace change over the decade ahead.

Forward from the Crossroads outlines the AVCC's responses to the seven issues papers released by the Minister for Education, Science and Training as part of the review process.² It canvasses some issues not well addressed by the review, and concludes by setting out the AVCC financing model and the issues that have shaped it.

The AVCC financing model provides the financing structure to achieve the AVCC vision for 2020 and in doing so addresses the issues raised by the review. It is the AVCC's position that our financing model should make up the essence of a future financing system.

The cost of inaction is high. As nations become more reliant on knowledge, skills, research and development for their social and economic development and sustainability, reform of and investment in Australia's higher education system is vital for our success as a society in the years ahead.

As Derek Bok – famous Harvard President and now University Professor at the John F Kennedy School of Government once said, “If you think education is expensive, try ignorance”.



Professor Deryck Schreuder
AVCC President 2002-2003 and
Vice-Chancellor and President
The University of Western Australia
26 September 2002

² *Higher Education at the Crossroads*
Striving for quality: learning, teaching and scholarship
Setting firm foundations: financing Australian higher education
Achieving equitable and appropriate outcomes: Indigenous Australians in higher education
Varieties of excellence: diversity, specialisation and regional engagement
Meeting the challenges: the governance and management of universities
Varieties of learning: the interface between higher education and vocational education and training

Executive Summary

Investing in the future

Australia's universities are now at a "crossroads". In response to Dr Nelson's review many paths have been identified as **the** way forward from the crossroads. The AVCC believes, however, that a single path, imposed across all universities, is not the answer. Universities need the opportunity to pursue many different paths. They need to be able to shape their courses, research, and approaches to teaching in order to achieve their missions. To do this, the governance and management structures of each university need to fit its mission.

Equally, universities cannot provide Australia with the necessary quality of education, research, professional training, research training, advice and regional support it needs for its future without access to the necessary resources. Investment and quality outcomes are inextricably linked.

Australia's universities have achieved much over the past decade. They have done so against ever tightening fiscal restraint, especially for their core teaching, learning, research and community engagement roles. Universities now face substantial challenges to build on those achievements over the coming decade.

Central to the creative achievement of university missions is the challenge of ensuring and improving the quality of student learning. The challenge is not to find a single solution and impose it across all students, courses and universities. It is to create the environment that allows for many different, but effective, approaches targeted at the needs of each group of students.

There are many aspects to meeting the needs of diverse sets of students. Expansion of the number of available places has provided more scope for all Australians to access university education. However, there remain some groups who are less likely to access university education. A particular challenge is the education of Indigenous students, with the number of Indigenous students actually falling. As students with disabilities come through from the school system in larger numbers, the resources pressure on universities to provide the necessary support is increasing rapidly.

Universities have many programs in place to redress these issues. More needs to be done, through strengthening of the incentives to meet the needs of these groups, and provision of the resources to do so.

All students need sufficient income to allow them to make the most of their education. Students are increasingly falling into two categories: those facing significant difficulty in surviving on student income support; and, alternatively, those who are struggling to find time for proper study as they meet the demands of full or part-time work required to earn an adequate income.

The Government needs to restructure thoroughly the student income support system so that it is effective in reducing the need for students to work excessive hours and so avert the detrimental effect on academic performance of heavy work commitments prompted by economic necessity.

Universities have led Australia in engaging with the global world we live and work in. The internationalisation of our universities – through our courses, our research and provision of student movement in both directions – must continue to develop. This requires further support for universities’ international activities, reduced barriers to international students, and active measures to increase substantially the number of Australian students including international education in their degree.

Universities are also part of the broader tertiary education system. Australians are increasingly likely to require both vocational training and university education. Universities have worked hard to improve access by graduates of VET to university and to ensure effective recognition of the knowledge and skills previously gained. More can be done to improve these arrangements, while VET needs to develop more effective arrangements for students moving from university to vocational training. Overall, the linkages between the two sectors must be built on a clear understanding of the distinct roles each has.

Universities cannot achieve these outcomes without an effective governance structure that guides each university in the directions it takes, and is capable of seizing opportunities that arise to advance each university’s mission. It is essential that universities’ accountability and regulatory frameworks, at both Commonwealth and State and Territory level, support, not hinder, universities’ capacity to undertake the full range of activities that achieve their missions. These arrangements must recognise that universities can contribute to Australia’s future through more than publicly funded teaching and research.

The present financing arrangements hamper universities. Public investment in universities is not sufficient for the national outcomes required. The allocation of publicly funded student places is too rigorously controlled by Government, restricting universities’ capacity to respond effectively to student demand. The funding incentives do not reward the pursuit of diverse missions but reflect a “one size fits all” approach.

Australia’s universities need more than additional resources. The heart of the present review is to devise the structural base to underpin substantial re-investment in our universities from both public and private sources.

The AVCC has developed its financing model to provide the needed framework for reform. Implementation of this framework, as set out in the model, will ensure Australia’s universities are well positioned to achieve the vision for 2020 so essential for Australia’s future.

Conclusions and recommendations

The main conclusions and recommendations of the AVCC in each section follow.

Section 2: quality through diversity

- 1. The challenge is to create the policy environment that allows for many different, but effective, approaches targeted at the needs of each group of students. It is not to find a single solution and impose it across all students, courses and universities.**
- 2. To create that environment, effective national investment in higher education is essential.**

3. The AVCC does not support any policy or funding proposals that would by intent, or result, re-establish the segregated, binary system of the 1980s. All Australia's universities actively engage in the wide range of inquiry, teaching, research and community engagement needed to underpin the emergence of modern Australia and to connect Australia to the rest of the world through international scholarship and the education of international students.
4. The approach of all universities to learning is embedded in the fundamental interrelationship among teaching, learning, research and scholarship. The nature of the interrelationship means that the Government's core funding of universities must support the full range of scholarship expected of university academic staff. Core funding cannot be narrowed down, and reduced, to be for "teaching" alone if "university" is to retain any sensible meaning in Australia.
5. The AVCC therefore supports the conclusion of section 2 of *Striving for Quality* that university education is distinguished by the extent of critical, conceptual and reflective thinking required of students. That thinking is enhanced in universities through teaching based on relevant scholarship and research. It is developed in the full range of students through the diverse missions of the universities.
6. Universities have extensively changed the student learning environment over the past decade. They will continue to do so as they consider, try and, where proven, use new approaches to support effective student learning. The AVCC welcomes the clear implication of section 6b of *Striving for Quality* that this responsibility should be left to universities.
7. The Government's proactive role is to provide support for the development of better teaching practice through effective funding of the Australian Universities Teaching Committee (or a similar body) and of projects to test and assess options.
8. It also must act to review student income support arrangements to ensure that students have the financial capacity to complete their courses.
9. The AVCC:
 - agrees that universities must continue to develop the capacity of all staff to teach effectively and engage in relevant scholarship to support their work;
 - rejects the notion that it would be useful to mandate external teacher accreditation. It believes that each university should define the appropriate qualifications and skills required of staff and ensure that staff either have or acquire them;
 - believes that promotion to professor must involve evidence of international recognition of the applicant's leadership in their field whether that field is scholarship in the discipline or scholarship in teaching of the discipline; and
 - restates unequivocally that research and scholarship must underpin teaching to provide an effective university education.

10. The AVCC believes that it is essential to streamline reporting and accountability requirements while ensuring effective assessment of universities' individual achievements. Such an outcome must clearly meet the AVCC working principle that the funding and regulatory arrangements "should focus universities on their declared mission" and "should encourage universities to be responsive to the needs of ...students".

11. The AVCC does not support Government requirements for students to sit the Graduate Skills Assessment.

12. The AVCC supports ongoing university developments to:

- **make explicit the standards expected for each course;**
- **use criterion-based assessment;**
- **encourage discussion about student learning outcomes and assessment across universities by staff in related fields;**
- **increase the extent of external validation or comment on the standards and their application; and**
- **use a common grading scale.**

13. The AVCC does not support:

- **formally constructing national standards; and**
- **developing a single, formal, external validation that specified standards are being applied.**

14. The AVCC believes that the Government should consider the creation of a national data agency to collect and publish all higher education data to provide basic public information on the outcomes and performance of Australia's universities and higher education providers.

Section 3: equity of access to universities

15. To build on the advances that have been made in equity of access to university, the AVCC proposes that:

- **there be substantial, contestable, funding to support and reward the enrolment and graduation of students from designated under-represented groups;**
- **further expansion in the overall number of places; and**
- **enabling courses remain HECS free and funded through core funding to maximise participation by students from under-represented groups.**

Section 4: indigenous Australians in higher education

16. The AVCC recommends:

- that the Government act to review student income support arrangements to ensure that Indigenous students have the financial capacity to complete their courses; and
- the establishment of Centrelink offices on university campuses to improve awareness of income-support entitlements so that Indigenous students can take advantage of them.

17. The AVCC recommends improved financial support for universities to help them to support Indigenous Australians to enrol and successfully complete their qualifications.

18. The AVCC recommends that:

- enabling courses remain HECS free to maximise participation by Indigenous Australians;
- universities continue to be able to fund enabling courses through core funding; and
- Aboriginal Tutorial Assistance Scheme funding and mentoring be made available to Indigenous students in enabling courses.

19. The AVCC recommends that the Government establish additional new Australian Postgraduate Awards specifically for Indigenous postgraduate students.

20. The AVCC recommends that the Government support ongoing funding for Indigenous Higher Education Centres, whether they be existing Centres or others that come forward through a competitive selection process.

21. The AVCC recommends that the Government establish an Indigenous Advisory Council to assist the Minister for Education, Science and Training in the area of Indigenous higher education.

Section 5: an effective system of student income support

22. The AVCC recommends that the Government restructure the income support system so that it is effective in reducing the need for students to work excessive hours and so avert the detrimental effect on academic performance of heavy work commitments prompted by economic necessity.

Section 6: the value of international education

23. The effective internationalisation of Australia's universities is vital to the future well-being of the Australian community in an increasingly globalised economy, work force, and society.

24. To achieve effective internationalisation of Australia's universities, the Commonwealth Government should:

- promote Australian education internationally, including through bilateral Government to Government agreements;
- work with universities to improve community understanding of the value of internationalisation of Australian universities;
- reduce visa and related charges on international students;
- support universities achieve a target of 20% of Australian students who include international study in their course; and
- establish awards for excellence in international education.

Section 7: effective linkages between universities and vocational education and training

25. Universities have led the way in the improvement of national coherence in the treatment of applications by students entering undergraduate university courses who seek credit for previous vocational education and training.

26. The AVCC agrees that it is important to build further on existing pathways for VET graduates seeking university entry and for combined awards. The focus should be on:

- improving universities' capacity to distinguish among VET graduates through effective grading of VET outcomes;
- improving information on available pathways and credit levels; and
- piloting higher education sub-degree programs.

27. More effort is required to establish consistent recognition by the VET sector of specific and generic skills gained through university study.

28. The AVCC supports the Australian Qualifications Framework being re-formulated so that each award can be accredited through one sector only. This will provide a clearer delineation between the sectors based on the qualifications offered.

Section 8: the governance and management of universities

29. It is essential that universities' accountability and regulatory frameworks, at both Commonwealth and State and Territory level, support rather than hinder universities' capacity to undertake the full range of activities that achieve their missions.

30. It is important to find the right balance between external accountability that maintains public confidence in the operation of each university and each university's capacity to set its own direction to achieve its objectives.

31. Universities' involvement in activities that are privately funded extends their contribution to Australia's longer-term well-being, but also challenges some of the assumptions behind existing accountability requirements.

32. The focus for reform should be to ensure that governing bodies are able to deal effectively with the full range of university activity.

33. The Commonwealth, State Governments, and the AVCC through MCEETYA, should develop streamlined reporting arrangements to both levels of Government that focuses on essential information requirements and removes restrictive regulation and administrative overload.

34. The membership of university governing bodies must reflect the skills and attributes required for an effective university governing body. Given the complex set of university roles, the range of skills and attributes required is wide.

35. In consultation with the AVCC, the States and the Commonwealth should develop a clear and explicit statement of the desired properties of an effective governing body.

36. Reform of governing bodies, where required, should focus on:

- **ensuring all governing bodies have the power to select some of their own members such that governing bodies possess the necessary skills and attributes; and**
- **ensuring all members act in the best interests of the institution, and not as delegates representing the vested interests of particular groups.**

37. Universities require realistic financing arrangements and other targeted changes, to work within the enterprise bargaining framework to develop appropriate salaries and conditions for staff and more flexibility in categories of employment.

38. To support this the Government should:

- **quickly finalise universities' second round applications for the Workplace Reform Program, noting the limitations of the program as identified in the issues paper; and**
- **improve industrial legislation by providing clearer guidance to the Australian Industrial Relations Commission on the circumstances in which it might intervene in industrial action. The guidance should emphasise the centrality of collateral, or third party, damage thus giving primacy to the welfare of key stakeholders such as students.**

Section 9: financing effective Australian universities

39. Australia will not be able to continue to provide the necessary quality of education, research, professional training, research training, consultancy and regional support it needs for its future, at present levels of funding.

40. Australia's universities need more than additional investment and resources. The way in which public investment is distributed to universities needs reform that will underpin the diversity of universities' individual missions.

41. The AVCC's financing framework provides the needed context for reform.

42. As part of the reform outcomes, State Governments should remove payroll tax from universities.

AVCC university financing model

1. Each university is funded for a range of publicly funded student places, with the range set each year in response to factors such as student demand, participation rates and university performance. Over time, student numbers at different universities will increase and decrease.
2. Each university receives a base grant for its core activities of teaching, research and community engagement. No university will receive less for its existing profile of student load.
3. To improve quality, the core grant increases each year.
4. To meet existing demand, the number of funded places will increase through to 2007.
5. The core grant is indexed by an indexation factor equal to the indexation applied to school funding, to maintain the core grant's real purchasing power into the future.
6. There is a standard student contribution (HECS) for Government funded places set at the current rates and indexed. Universities are able to vary, up or down, the HECS rate for each course, acknowledging that the Government sets an upper and lower limit to the amount by which the contribution may be varied.
7. Universities are eligible for performance driven funding to support and reward the enrolment and graduation of students from designated under-represented groups. Funding is substantial and – at least – matches the total income raised by universities from HECS contributions above the standard contribution.
8. There is an effective mix of core research funds and competitive project and infrastructure research funds. Core funding increases each year and is distributed based on an evaluation of each university's relative research performance and potential. Project funds are distributed based on competitive assessment of project proposals.
9. The distinct regional roles and obligations of universities are promoted through contestable funds specifically provided and targeted for such purposes.
10. To encourage specialisation, diversity and efficiencies within universities – through rationalising courses, removing unnecessary overlap, preserving important but otherwise unviable disciplines, and forging partnerships and strategic alliances – there are contestable funds specifically provided and targeted for such purposes.
11. Reformed student income support arrangements ensure that students do not need to work long hours to support themselves, but have sufficient income to work effectively at their studies. The reformed arrangements will in particular provide for students who need to move residence to attend university.
12. A diverse, sustainable and world-class university sector is further supported by government policies to help universities maximise revenue from philanthropy and activities such as international students, consultancy, and commercialising intellectual property.