



SUBMISSION TO THE

Review of Australian Higher Education

4 August 2008

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Review of Australian Higher Education
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REVIEW OF AUSTRALIAN HIGHER EDUCATION

Enclosed is the La Trobe University response to the *Discussion Paper* provided by the Review of Australian Higher Education Expert Panel.

While we have provided commentary on each of the sections as set out in the *Discussion Paper*, we have chosen to concentrate and provide greater input on some issues that are close to our heart, including regional education, labour market needs and equity.

Yours sincerely,

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Introduction: Higher Education in modern Australia

La Trobe believes that the fundamental purpose of Higher Education is to advance learning – through teaching and research which is fully engaged with the wider world. In doing so universities contribute directly and indirectly to the economic, social and cultural development of society, and in the increasingly knowledge based and global economy this contribution is even more significant.

Some universities, such as La Trobe, have a particular responsibility for advancing learning in and for regional Australia and their teaching and research has a distinctively regional focus and mission. The contribution such universities make to the sustainability and health of regional Australia is increasingly well understood. It is also clear that higher education in the regions can make a major contribution to the Government's social inclusion agenda by providing educational pathways and building the professional infrastructure of regional communities as well and meeting local labour market needs. La Trobe's mission makes clear our ongoing commitment to being a 'regional' as well as a major metropolitan university.

It is equally evident, however, that without significant reform the capacity of the Higher Education sector generally, and its regional players in particular, to respond to the demands of the new century will be seriously constrained. Part of this reform must come from universities themselves but this will be unsustainable without sector wide changes to funding, organisation and regulation.

By any relevant international benchmarks Australian higher education is now seriously underfunded. This review must address this fundamental problem and propose a means by which the real cost of producing high quality graduates and research is to be met – but one that does not increase the financial contribution already being made by Australian students.

However the method of funding higher education institutions should be tied more explicitly to clearly identified outcomes, allowing the institutions to determine how these outcomes are best achieved. For example, universities should be accountable for achieving higher levels of participation, with specific equity targets (rural and isolated, indigenous and low SES), and a new funding regime should be designed, tied more explicitly to these outcomes. Similarly, universities should be held accountable for contributing to important social, environmental, cultural and economic outcomes, and be funded for achievement of these outcomes.

Increasing the participation rate of students from the lowest socio-economic band will require greater investment in student support, targeted at those groups for whom poverty either prevents them from entering higher education, or who are unable to complete their studies for financial reasons. Many universities now have data showing that financial pressures are the key determinant of poor retention rates at both undergraduate and postgraduate levels. For other kinds of disadvantaged students the key lies in building better pathways between schools, TAFE and HE.

And finally, the regulatory and reporting burden on universities needs to be dramatically reduced through the introduction of compacts. A more explicit focus on encouraging increased participation rates and specific outcomes, together with a reduction in regulatory constraints should drive innovation and efficiency. Universities will look for productive partnerships with other providers and with industry and government stakeholders, including international partners if there are appropriate incentives in the funding and accountability

model. Similarly, appropriate incentives will drive internal reform of staffing, capital utilisation, administrative processes, teaching models and research management. Reporting and accountability should focus on participation, outcomes and quality. Universities should be free to resolve issues of governance, administration, staffing, capital, teaching and research processes for themselves.

La Trobe has a significant investment in regional and rural Victoria. It is important to La Trobe that there is a clear policy framework to promote investment in and development of higher education in regional and rural settings. Higher education is critical for the economic, social and cultural life of rural and regional communities. But the risks are greater and it is more difficult to achieve the scale required to deliver high quality programs in these settings. Compact negotiations should take into account the specific constraints faced by higher education providers in rural and regional settings.

1. Meeting labour market and industry needs

As the *Discussion Paper* proposes, higher education should support the development of a capable and skilled labour force. One of the ways it does this is by offering programs specifically designed to prepare people for particular professions and occupations. At the same time it is important to note that La Trobe is a university that also offers broad education programs in the Humanities, Social Sciences and Sciences that are designed to produce graduates with high levels of generic skills and adaptability, as well as graduates who will go on to shape the industries of the future.

Discussion about meeting labour market or industry needs to acknowledge that conditions can change quickly and very significantly, creating particular difficulties and also opportunities for helping adults retrain or develop new careers. The impact of the drought and rising fuel prices, for example, is demonstrable in the regions around our regional campuses, creating new demands for flexible programs which can be taken for a range of purposes and outcomes. Some may be in the area of professional development, others in the area of personal development, whilst others are for Award programs at Graduate Certificate, Graduate Diploma or Masters level.

At the Mildura campus for the first time this year, it is possible for students to undertake all 4 years of a pre-service teacher education (Primary) qualification at the campus rather than having to travel to Bendigo for 2 out of the 4 years. This has allowed a particular cohort of immobile mature age students to enrol.

- **Accreditation**

Professional accreditation bodies have played an important role in safeguarding quality, and many have been very important in stimulating curriculum innovation within their accreditation requirements.

In some instances however, accreditation requirements can also unnecessarily constrain higher education providers, for self interested purposes. Nor do all professional associations have a good understanding of the needs of industry and of employers. Additionally, accreditation processes now vary significantly across professions, leading sometimes to cumbersome and costly compliance. In Engineering demands from various industry, government and professional bodies has led to constant changes in curriculum, often in conflicting directions. In contrast the accrediting bodies in Pharmacy have strong industry involvement and therefore the curriculum can be straightforwardly tested for relevance.

Accreditation processes could perhaps be stream-lined and made more consistent as this would reduce costs and time. Accreditation standards should allow greater flexibility in addressing industry needs as they change over time.

- **Flexibility and pathways**

In some professionally oriented programs a more modularised approach to professional education should be explored - one that recognises prior learning and experience more explicitly and allows for a range of pathways to professional qualification, including school leaver, graduate entry, experience-based and VET university articulation.

The School of Human Communication Sciences at La Trobe University, in partnership with Department of Human Services Victoria and Austin Health, developed and now regularly deliver a competency training short-course for qualified speech pathologists in Fiberoptic Endoscopic Evaluation of Swallowing (FEES). FEES is an example of advanced practice skill that is not taught in entry-level speech pathology programs, but one which is essential for the modern speech pathology workforce. This short course is a good example of a rapid response to a skill shortage, co-funding of training between a higher education institution and a large employer organisation, development of a tailor-made course for older adults, and encouragement of employees to upgrade their skills.

There should be greater flexibility for innovation around pathways to:

- (a) initial professional qualification;
- (b) higher degrees by research; and
- (c) specialist postgraduate professional specialisation (beyond initial qualification).

It is clear that appropriately qualified and experienced graduates can achieve initial professional competency much more quickly than the standard school leaver pathway which usually takes at least three to five years, depending on the profession. Graduate entry masters (and doctoral) programs, rather than accelerated bachelors programs are increasingly common. Graduate entry programs can typically be completed in one or two years, depending on the profession.

School leaver and graduate entry programs for professional practice now coexist together. Having both pathways increases labour market responsiveness. AQF guidelines should be made more flexible to allow specific Bachelor/Masters double degrees for professional qualification so that school leaver and graduate entry pathways can be integrated efficiently.

- **Workforce planning**

It is true that workforce planning is difficult. For example, there has been a recent under supply of medical graduates as a result of constraints on medical places for university programs, but it is also true that in law where full fee programs have proliferated there is an over supply of graduates.

Some have suggested a much higher reliance on market mechanisms. However, on their own, market mechanisms such as vouchers are likely to produce high levels of disruption without appreciably improving labour market responsiveness. It is important to recognise that there are no simple solutions to the problem of particular skills shortages.

While government decisions on the allocation of places have been less than perfect, market information for students is inadequate, employers (the ultimate end user) have little influence over provision and there is significant regulatory capture by the professions. Current professional education programs have long lead times and high entry costs for providers, at a time when there are significant demand pressures in the economy. The risk of market failure to providers, students, employers and government associated with a radical deregulation of higher education are therefore high, at least in the short term.

A blended model is needed - one which makes increased use of purchasing and market mechanisms within an overall planning framework. There is little alternative to the Commonwealth, with the States monitoring and prioritising educational needs in response to labour market changes.

The Commonwealth should adopt a more flexible and targeted purchasing role in meeting workforce priorities in the way it allocates places, sets its subsidy levels and constrains student contributions. Broader contracting to meet needs, perhaps in combination with State governments should be explored.

For example, in areas of significant national shortage, such as science teaching, agreements with particular universities could fund an integrated package which would combine recruitment and promotion deep into the local secondary school student population, a significant reduction in student contribution levels, the development of strong employer links and placement opportunities and enhanced Commonwealth subsidies for priority students and graduates. Universities could bid to participate in these schemes. Participating universities could be given explicit performance targets and incentive payments for achieving them.

As the *Discussion Paper* notes, 'it is expected that participation in higher education by older adults will grow to meet the demands for new and increasingly complex work tasks and in response to increasing job mobility...'. Where once there were too many school leavers and not enough jobs, now the reverse is true. With the introduction of graduate entry programs and post graduate professional specialist modules, the Commonwealth should revisit the application of HECS style funding of graduate and postgraduate professional education programs. Similarly, the articulation and credit transfer arrangements for VET programs into professional programs at university will need to be streamlined and made much more consistent. (See below).

There are particular problems in meeting local needs in **regional areas**. Unlike metropolitan areas where choice of provider is affordable and market mechanisms have a place, in rural settings, multiple competing education providers (like competing ambulances and fire stations) are a recipe for everyone failing given the cost of the infrastructure. A more collaborative approach that maximises the use of infrastructure and encourages economies of scale is needed for rural settings. It is probably the case that this would require either integrated or networked arrangements with VET providers and collaborative arrangements between Universities to address gaps in high cost courses (e.g. medicine, dentistry, engineering etc). Universities seeking to rationalise or collaborate over their regional offerings should not be threatened with being reported to the ACCC for anti-competitive behaviour.

2. Opportunities to participate in higher education

The *Discussion Paper* identifies one major difficulty facing Australian higher education in increasing the participation rate of disadvantaged social groups, namely the relatively low proportion of school students who complete Year 12. However, another major opportunity for increasing the participation rate from disadvantaged groups is to be found among non-school leavers who entered the workforce without tertiary qualifications but who could now benefit from them. The strategies suggested in the previous section for responding to labour market shortages would have a direct impact on improving the participation rate of older people from disadvantaged social groups.

Evidence clearly shows that improving the participation rate of Indigenous Australians, those from low SES backgrounds, and from rural and remote locations requires a multi-dimensional approach based on:

- building aspirations
- relevant curriculum
- pathways
- reforming student income support
- changing the institutional funding model

Building Aspirations

We know that students from backgrounds where higher education is both unknown and invisible need to be reached while in early secondary schooling. Many universities now have relationships with particular schools, or even with every public school in their state (UWA, Melbourne), but these programs are designed for recruitment, or even cherry-picking. Deep relationships with individual disadvantaged schools are also very expensive to sustain.

Universities should be given incentives to work *together* to create aspirations for higher education generally in disadvantaged areas and with disadvantaged communities, rather than seeking only to promote their own particular curriculum. The richest universities raise most money for scholarships but often have the least relevant curriculum and the smallest funnel. State Governments might be encouraged to form higher education consortia to promote the benefits and value of higher education generally with particular schools and communities.

Funding for outreach activities should be long-term, and should reward increases in participation in higher education regardless of institution, as well as via enrolment and retention of students.

The UK *Aimhigher* and *Aspire* programs which are built on local government, school and university partnerships should be considered for the Australian context.

Relevant Curriculum

Courses which are responsive to community needs have greater currency within under-represented communities, but these are often small scale and expensive. Universities with major commitments to social inclusion need to focus on relevance rather than just a deficit model approach to Indigenous and low SES capacity building.

Success relies on building relationships, meeting community needs, recognition of community experience and delivery through appropriate methods and locations.

La Trobe courses for Victorian Koori family counsellors

The first of five courses for Indigenous family and child workers offered by La Trobe University's Bouverie Centre has attracted nine Indigenous students from Shepparton's Rumbalara Aboriginal Cooperative.

The nine new students in the Rumbalara Graduate Certificate in Family Therapy course were joined by three students completing The Bouverie Centre's Family Therapy Training program. All 12 students are employees at Rumbalara, Njernda Aboriginal Community Cooperative in Echuca, or the Goulburn Valley Community Health Service, and work in the family counselling area.

A second course will shortly start in Ballarat, with three others being planned in regional Victoria over the next couple of years, the locations to be chosen in consultation with local Indigenous community groups.

The training has attracted mature-aged Indigenous workers, many of them women, who wish to hone-up their family counselling skills, especially in the theory side of their work, and most importantly to have their life-work experiences and skills recognised in the workforce and the community.

The relevance of curriculum is also enhanced by industry involvement through specific scholarships with associated work experience, industry sponsored projects, industry based learning and cadetship schemes.

Pathways

La Trobe University's Bundoora campus is situated close to some of the most disadvantaged suburbs in Australia (Heidelberg West, Preston, Reservoir), with low school completion rates. There is a need for a more innovative approach to raising the proportion of young people who complete Year 12 – one which would support them to do this outside the school sector, through TAFE or other providers.

See also below under the section titled "*Connecting with other education and training sectors*".

Reforming Student Income Support

La Trobe University supports the IRUA submission to this review in relation to student income support.

The particular difficulties faced by Indigenous Students have been well documented in *Australian University Student Finances 2006 Final Report* (Universities Australia).

Indigenous students were far more likely to agree that their financial situation was often a source of worry to them (72.5 per cent) than non-Indigenous students (52.5 per cent) and were almost twice as likely to go without food and other necessities because they could not afford them (25.4 per cent) than were non-Indigenous students (12.8 per cent);

Indigenous students were more reliant than non-Indigenous students on university and student association subsidised services, such as childcare and counselling;

More part-time Indigenous students indicated that they would prefer to study full-time if their financial circumstances permitted it (76.7 per cent) than non-Indigenous part-time students (62.2 per cent), especially postgraduates (78.9 per cent compared with 57.6 per cent).

La Trobe University proposes the following changes to the Centrelink eligibility criteria for study support:

- *Independent status* – the age of independence should be lowered to 18 years and not subject to restrictions on living outside of the family home.
- *Parental Income Test* – the parental income threshold should be raised to alleviate the financial burden on families supporting university students.
- *Student Income Test* – University scholarships should be exempt from the student personal income test.
- *Amount of Income support* – raising the amount received will reduce the levels of part-time work.

La Trobe does not support the proposal to extend HECS type loans to cover living expenses until the longer term impact of existing levels of HECS debt have been fully researched. La Trobe wishes to see a coherent system of means tested grants as opposed to 'scholarships' which confuse the concept of academic merit with financial need.

Changing the Institutional Funding Model

Creating the aspiration, designing relevant curriculum, and retaining disadvantaged but capable students involve specific costs. The current approach to funding is a blunt instrument which does not provide sufficient incentives for successful learning and retention. In particular, it does not deal with the established financial needs of rural and regional students and those who must leave home to complete a course of study, and those with multiple types of disadvantage.

Institutional funding should focus more on outputs rather than inputs, with rewards for the attraction, retention and successful completion of disadvantaged students.

La Trobe University and the Towards a Just Society Fund

The Towards a Just Society Fund provides external philanthropic support to Indigenous Education at La Trobe University. A suite of bursaries has been developed to facilitate full and effective participation by Aboriginal and Torres Strait Islander students studying across all campuses. The bursaries include a one off payment for living allowances, resource and materials bursaries, support to attend events including conference participation for undergraduates and an activity bursary enabling student promotion of Indigenous Australian cultures on campuses.

The aim of the bursaries is to better engage students with university study. These bursaries are provided for the most part as goods or services to ensure student benefits through Centrelink are not affected. Support gained through this program has meant the difference between continuing and dropping out for many students.

The program developed in partnership with the funding body enables financial flexibility for Indigenous Education at La Trobe University which can then be responsive to student needs and maximise their potential.

There should be a national approach to improving Indigenous and low SES participation and success in higher education.

This is necessary:

- to set benchmarks and targets;
- to create an integrated approach to funding which would link schools, universities and other key parties such as welfare agencies like the Smith Family;
- to address the required changes to Centrelink and funding for those groups who do require additional funding (Indigenous and rural) ; and
- to coordinate, at least at state level, raising aspirations rather than cherry picking.

3. The student experience of higher education

La Trobe believes that the primary purpose of universities is to advance learning – through teaching, research, scholarship and service.

- First and foremost, we should be focusing on the quality of student learning in higher education, and only secondarily on student satisfaction with their experience of higher education.
- The single most important indicator of the success of Australian higher education – at least in terms of undergraduates – must be the quality of their learning outcomes.

Students learn best – according to international research – by engaging actively in study (scholarship), by teaching themselves and others, by participating in research, and by engaging in service.

We already have relatively useful measures of student satisfaction with their experience (e.g., CEQ), and are developing potentially more valuable measures of student engagement - Australian Survey of Student Engagement (AUSSE).

While student satisfaction, and particularly the satisfaction of full fee paying international students, is important, it is not necessarily positively correlated with high quality learning outcomes. As the “*Discussion Paper*” quite accurately points out, the Australian university sector, as a whole, has very little evidence regarding the nature and level of intended learning outcomes, the achievement of those outcomes, or the effects of various curricular and teaching-learning approaches on the achievement of learning outcomes.

In order to promote learning more effectively and more efficiently, and in order to benchmark and improve our performance over time, we need agreed upon learning outcomes, indicators, criteria, standards, and meaningful, reliable, and valid measures.

Given that academic work is organised mainly by disciplines, those outcomes, indicators, criteria, standards, and measures will have to be relatively discipline-specific. Generic outcomes are probably a myth and practically non-viable. Thus, developing those learning outcomes, standards and so on is the *sine qua non* of documenting, understanding, and improving learning in Australian universities.

The government, through the offices of ALTC, AUQA, DEST and its predecessors and successors – and with its various funding levers – could promote, support, and guide the process of creating meaningful and useful learning outcomes measures. To this point, those bodies have focussed on indirect indicators of learning quality, when they have considered learning at all.

We need and would actively support a focussed, well-supported, research-based effort to develop our capacity to document, measure, and improve student learning outcomes. Once we have agreed measures of student learning, university funding should reward those who succeed in improving student learning rather than those who are top of the rankings.

4. Connecting with other education and training sectors

La Trobe is a university with a mission to provide higher education opportunities to a very varied range of national and international students, with a particular focus on the communities of northern Melbourne and northern Victoria. As well as attracting high achieving school leavers La Trobe has a successful history of working with those coming to higher education via non-traditional routes – either because of location, lack of educational opportunities, or other kinds of disadvantage. At La Trobe the issue of creating pathways is a priority, and it necessarily involves collaboration with other kinds of educational providers, particularly the VET sector, but could extend to the state Adult, Community and Further Education network.

In 2006, 12% of our total commencing enrolments were on the basis of prior VET studies (compared to 10% nationally) and 7.3% of total commencing enrolments received credit for their prior studies (compared to 3.4% nationally). Analysis of retention, success rates and average marks shows that these students perform as well as all other commencing students.

Evidence would suggest that we (and similar types of universities) could help to increase the participation rate in Higher Education as proposed by the *Discussion Paper* by providing places for mature age students with work experience or other kinds of relevant non tertiary qualifications.

The Albury-Wodonga campus of La Trobe has run for the last 17 years the University Bridging Program which provides mature aged students, who have not completed secondary education, with a tertiary preparation program. Over this time an average of 20 students per year have graduated and gone on to study at La Trobe. The success rates of these students are exemplary, many winning academic awards and prizes on their way to completing their academic qualifications. Graduates are now represented particularly in the regional education and health services sector. Until recently this program, which is free to students, was unfunded by the Federal Government. Its importance to the local community was recognised by the University, which sourced funds internally. The recent changes to eligibility for DEEWR CSP enabling places means it is now better supported.

The distinctive missions of vocational training and education and higher education

La Trobe believes that the TAFE and higher education missions should be largely separate and are best defined according to the expected learning outcomes for students in each of the two sectors.

Traditionally the TAFE sector has focused on competency standards either nationally endorsed or as developed by industry, professional or community groups. In particular TAFE has, historically, focused on the development of technical skills as demanded by industry, while the role of universities has been to develop the generic thinking and adaptive skills required by the professions, for example.

The table below shows the AQF expected learning outcomes for the Bachelor degree, the basic University qualification, and the Advanced Diploma, traditionally the highest TAFE qualification. This serves to illustrate the fundamentally different expectations of graduates of the two systems.

AQF Learning Outcomes

University sector – Bachelor Degree	TAFE sector – Advanced Diploma
The acquisition of a systematic and coherent body of knowledge, the underlying principles and concepts, and the associated communication and problem-solving skills;	Demonstrate understanding of specialised knowledge with depth in some areas
Development of the academic skills and attributes necessary to undertake research, comprehend and evaluate new information, concepts and evidence from a range of sources;	Analyse, diagnose, design and execute judgements across a broad range of technical or management functions
Development of the ability to review, consolidate, extend and apply the knowledge and techniques learnt, including in a professional context;	Generate ideas through the analysis of information and concepts at an abstract level
A foundation for self-directed and lifelong learning	Demonstrate a command of wide-ranging, highly specialised technical, creative or conceptual skills
Interpersonal and teamwork skills appropriate to employment and/or further study	Demonstrate accountability for personal outputs within broad parameters Demonstrate accountability for group outcomes within broad parameters

At this point La Trobe believes Universities should be able to offer Associate Degrees, Diplomas and Advanced Diplomas with distinctive learning outcomes linked to a culture of research and scholarship.

La Trobe believes that if the mission of the TAFE sector were to include offering three year qualifications with a focus on technical and applied skills, this could be reflected in the degree nomenclature for example, the Bachelor of Applied Computing. Promotion of these programs would need to specify the technical and applied nature of the learning outcomes. As a technical skills qualification there may be less need to insist on teaching informed by scholarship.

Pathways and student movement between educational sectors

If we accept the different missions of TAFE and higher education then we should not see the former as a feeder to the latter. It is entirely possible that in future we will see more people seeking entry to university based on TAFE studies undertaken much earlier in their lives. In regional and other disadvantaged areas, however, TAFE may provide a more direct pathway to higher education for some students.

Given the rapidly changing workforce and growing demands for a reflexive and adaptive workforce with higher order generic skills, we should make the movement from TAFE to higher education as simple as possible.

There appears to be an emerging expectation from within the TAFE sector that credit given into university courses should be more of a one-to-one recognition based on the duration of studies at TAFE. Pressure on the ANTA/AVCC guidelines also arises out of competition between some universities for student load.

Due to the differences in learning outcomes between the sectors the position of universities is generally that equivalence of time spent studying does not result in equivalence of learning outcomes. Moreover, competency based assessment and the modular nature of TAFE programs poses a problem for universities in relation to assuring that articulating students will be able to demonstrate the appropriate standard of learning to easily move between systems. However, many universities are prepared to grant credit on the basis of relevant content.

The Victorian Credit Matrix provides a framework to evaluate and compare learning in different kinds of qualifications in order to enhance the possibilities for articulation and credit transfer arrangements. Guidance is also provided by the ANTA/AVCC guidelines and the MCEETYA good practice principles. The application of these guidelines usually results in a TAFE student receiving somewhat less than full time equivalence. For instance, a two year Advanced Diploma would normally receive credit for about 3 semesters of university study, as long as the content of courses is comparable.

To improve the movement of students between sectors, in addition to consideration of content, there is a need to more closely match assessment regimes. If the missions of the two sectors are seen as distinct, the issue of different expected learning outcomes in the two sectors will also need to be addressed.

La Trobe example of good practice: Articulation Agreement Model

In 2008, La Trobe University introduced a University model for articulation agreements. This model is designed to formalise arrangements for two way credit transfer with TAFE institutes in the University's catchment areas. The form of the agreement was drawn up in consultation between the University and a number of TAFE CEOs, and specifies provision for ongoing consultation and review of course content and credits, between the University and its TAFE partners. With ongoing consultation, there is capacity for the TAFE institute to tailor its offerings to maximise the amount of credit available and to better prepare students for university study.

The Articulation Agreement also more clearly details the exact credits to be given in a range of courses and these will be incorporated in a searchable database for prospective students. So far agreements have been signed with three regional and three metropolitan TAFEs, with another two regional TAFE agreements in progress. With the enhanced continuing consultation and greater transparency about available credits, the University sees this model as a means for improving the movement of students between the sectors (in both directions).

Nursing Studies Project

La Trobe is developing a pathway with Riverina TAFE, known as the Riverina Region Nursing Studies Project. It is designed to:

- facilitate entry to the nursing profession at a number of levels;
- provide opportunities for university study give young people the chance to explore careers in the Health sector;

- provide up to 5 units of HSC study over two years; and
- include real experiences via health service placements with the Greater Southern Area Health Service.

The course combines TAFE study provided by the Riverina Institute, Bachelor of Nursing subjects from La Trobe University and health service placements with Greater Southern Area Health Service.

The pathway is delivered in 2 stages. Stage 1 (worth 3 units of study) consists of competencies from the Health Training Package as offered by TAFE NSW at Certificate III level. Stage 2 offers two subjects from the Bachelor of Nursing Degree at La Trobe University's Wodonga campus (worth 2 units of HSC study). Students also complete a placement component (of at least 25 hours duration) with Greater Southern Area Health Service.

It is intended that students who successfully complete the course and the placement component will be eligible for:

- An AQF Statement of Attainment in Nursing (TAFE Course no. 9380). This can lead to further study in a range of areas
- Recognition of prior learning for two first year subjects in the Bachelor of Nursing degree at La Trobe University
- Competency recognition in the Enrolled Nurse Certificate IV program (TAFE Course no. 3262)

5. Higher education's role in the national innovation system

It is the University's view that an effective innovation system is built on the following essential foundations:

- The contribution of research to Australia's innovation system
- The capacity of universities to develop new and strategic research directions
- The importance of the pursuit of knowledge and the questioning of orthodoxies within a pluralist and tolerant intellectual community.

There is a great opportunity for Australia to do better under all of these headings. Whilst other countries have been greatly investing public expenditure in universities and research, Australia has marginally declined its public expenditure in universities. Australia's gross expenditure on research and development as a percentage of gross domestic product is 15th amongst OECD countries¹. The percentage of this expenditure which is financed by industry is 53% which is 18th amongst OECD countries. Greater support by Government and a greater share contributed by industry are both goals to which Australia should aspire: the benefits will be a population which is equipped to innovate and industry which can grow sustainably.

Good policy will strengthen links between universities, government and private industry. Thus key mechanisms will be:

- Funding and support for the full cost of research
- Internationalisation
- Increasing taxation benefits for companies which use universities to conduct research
- Continuous building of skills capacity at the highest levels for innovative research
- Attracting quality international and Australian PhD students
- Encouraging collaborations between universities, government and private industry by appropriate incentives in research block grants

In relation to funding and support for the full cost of research, there are a number of different interpretations of funding the full cost of research. These would range, minimally, from removing current requirements for cross-subsidisation of research from other income sources in order to gain research grants and contracts through increasing block grants so that they more fully covered administrative, equipment, facility and library costs to both of these and the covering of researchers salaries through research linked block grant funding. In all cases, a move to fund the full cost of research would align funding of university research more closely with the funding of other publicly funded research agencies. This would, amongst other benefits, make collaboration between other agencies and universities much more straightforward, as well as providing a better framework for collaboration between universities. An even more important goal would to use this to increase support from the private sector in university research. At the moment, with government not supplying the full cost of research, there is little incentive for the private sector to do the same.

A small country such as Australia cannot hope to harvest the best knowledge and conceptual frameworks from overseas unless it has a research and research training system which is always international in outlook. The systems must promote flow of researchers and research students internationally as a prime aim. The introduction of higher education as a major

¹ Main Science and Technology Indicators, OECD Publishing

export industry has not always been done in harmony with this aim. Countries such as the US have been leaders in providing fee and living support for the best international researchers and research students. Their country has benefited greatly both socially and economically as a result: the students and researchers who have remained have ensured that the US remains at the leading edge even in areas where US students are no longer the majority of the research students.

A major mechanism for supporting research in universities are policy settings to assure the supply and quality of researchers. Thus the supply of PhD graduates is important. This is also a key to the innovation system more broadly. This has been shown in many countries with much higher rates of PhD's per head of population. China and India are also paying particular attention to investment in this area.

We are seriously concerned that the number of domestic students commencing higher degrees by research has been declining since 1995, and that commencing student load dropped by 14 per cent in the five years from 2001 to 2006. The future supply of qualified researchers in Australia is under threat due to the decline in research degree student commencements, as well as the impending retirement of the baby boomer generation of academics and researchers.

There are two sides to the quality of training and support: the quality and availability of research supervisors, and the adequacy of funding for research equipment and consumables. There is scope for considerable improvement in both. There has been a drop in staff to student ratios over the past few decades, which means that fewer supervisors are taking on greater numbers of research students in an environment in which they are expected to make an ever greater commitment to their concurrent teaching and administrative duties. Similarly, the success rate for research grant applications has been falling, and university departmental budgets are incapable of providing more than token support for research.

In many disciplines, career prospects are relatively limited and academic salaries provide little incentive. Doctoral students on a postgraduate award are expected to forgo a decent income for up to four years: it is debatable whether there is a reasonable return on this investment of time, in purely financial terms. One can only infer that the main motivation to pursuing a research career must be curiosity and interest in the discipline.

We believe that Australia must attract more international research postgraduate students. We strongly recommend the introduction of a strategic package to achieve this, including:

Multiplying by five the funding for the number of International Postgraduate Research Scholarships (IPRS), whilst increasing flexibility in the program to allow for living allowance and fee scholarships for the very best as well as partial fee scholarships for a much broader group of students; simplifying the Endeavour Scholarship programs; introducing greater responsiveness and flexibility to international student visa policies and practices as they relate to research higher degree students; Acknowledging the language and cultural difficulties faced by full fee paying international students during their candidature. Specifically, sponsored candidates holding scholarships from their country of origin can have timelines and targets which conflict with the research needs of their course of study.

A more radical approach would be to make entry and support in the PhD system equivalent for international and domestic students. This has been adopted in New Zealand recently with dramatic increases in the number of PhD students. New Zealand will greatly benefit as

a nation from this initiative – aligning it with practice in many universities and systems elsewhere. An extension of HECS style loans to international postgraduate students could be considered conditional on the students being in required workforce areas and staying to work in Australia for some years.

Although higher education in Australia already has some providers such as those in technical and further education in which research is not part of the mission of the provider, the University does not see great merit in extending this to institutions which are called universities. For one thing, this would create confusion in the international market-place and potentially threaten education export. It should be, however, that funding based on compacts will allow universities to concentrate more on their strengths in teaching and research. It is certainly the case that universities vary greatly in the percentage of their activity which is research. Funding systems can and should take due account of this, rather than use the blunt hammer of declaring some universities to have no research activity at all.

Research excellence should be supported wherever it is found. The implementation of a clear funding model that provides incentives for excellence in teaching as well as for research excellence will allow institutions to determine for themselves how best to maximize their enterprises. Smaller institutions will be encouraged to focus their energies into areas in which they have particular expertise. These institutions may have fewer space restrictions than larger, more established institutions and may be able to provide space for translational research and start-ups or for the location of large footprint facilities and equipment. Indeed many smaller institutions may be in a position to provide research in critical areas (eg regional development) that are not covered adequately by larger institutions. To sum up, there is no need for Government-imposed restrictions on where and by whom research activities should be practiced.

6. Australia's higher education sector in the international arena

Discussion of how Australian higher education should be internationalised has been dominated by the issue of international fee-paying enrolments and their contribution to the growth of the sector as well as Australia's export earnings. It is time that the debate became more sophisticated, requiring some serious research into the ways in which internationalisation can generate a wider range of benefits and opportunities.

It should be acknowledged that the rapid growth of international enrolments at Australian universities has brought many benefits, not only financial ones. While future patterns cannot be predicted with certainty, there is likely to be growth in new areas such as training for professions such as nursing.

It is widely recognised that the rather opportunistic approach to international markets has created problems that should now be addressed:

- a highly concentrated pattern of international enrolments in Business degrees which makes it difficult to provide the kind of Australian experience that many students are looking for,
- an over-reliance on international fee income to subsidise the basic cost of educating Australian students,
- a failure to identify and invest in other aspects of internationalisation including:
 - programs in humanities, social sciences and science
 - creative approaches to providing Australian students with relevant incentives and opportunities for international experience
 - the longer term benefits of academic exchanges and study leave
 - building deeper international partnerships based on research collaboration as well as student recruitment
 - the long term benefits of providing higher education to future leaders in other countries
 - the withdrawal from international education as a form of aid and development.

Teaching

The current view that the learning outcomes delivered in courses are sufficient to meet the needs of students who return to their country of origin may no longer be true. Whereas in the recent past an Australian tertiary education could be held out as equal to any developed country and generally of a better standard than developing countries, this is no longer the case. Many of the countries from which La Trobe University recruits students have their own tertiary institutions of international standing which are rapidly increasing their research intensity. Australia needs to benchmark its learning outcomes against these institutions.

For domestic students data on the quality of the student experience is now collected by all universities and made publicly available, and good performance now attracts major financial rewards. Similar incentives and indicators should be used to monitor the experience of international students so that problems are not left unaddressed until an AUQA visit.

There is a range of reasons why students come to Australia and clearly the relationship between studying and migrating is very important for many of them. Workforce planning and

its relationship to study and migration where it is in the national interest should be better elaborated in policy initiatives. An extension of support, such as HECS, to international students who are willing to meet workforce planning goals through Australian tertiary providers should be considered.

The export of Australian education would be enhanced by the development of an agreed national secondary curriculum. This would make the marketing of secondary education much more straightforward and efficient. The experience of IELTS and its success is relevant here.

Research

A significant number of international students continue their studies in Australia by enrolling in research degrees. As mentioned above, an extension of support, such as HECS, to these students who will help achieve Australian workforce planning goals should be considered.

The re-establishment of a national scheme to train primary and secondary students in Asian languages will be fundamental to the potential research engagement with Asia. While English will remain the international language of the academic community, proficiency in Asian languages will increase opportunities for collaborating with the increasing number of Asian universities which have access to major research funds. It will also raise interest and awareness among Australian students and academics about the opportunities in our region.

International Community Engagement

The Federal government should continue to invest in outward bound international experiences for Australian students. This may involve a broader role for Australian Volunteers International to collaborate with the HE sector.

The profile of Australian education internationally lacks the coherence of some countries with similar export industries in education. The fact that education is not integrated into a cultural affairs policy framework for Australian diplomatic missions continues to send unclear messages. As the apparent 'third' phase of internationalisation unfolds and a level of reciprocity develops in the relationships we have with the large international student markets La Trobe University would like to see a broader policy framework concerning bilateral cultural engagement.

The size of the international education industry and its relationship to key national priorities suggests that it should have a higher profile within the Federal Ministry, with a specific portfolio responsible for the coordination of the wide range of matters that have now emerged from the growth of international education.

7. Higher education's contribution to Australia's economic, social and cultural capital

La Trobe University supports the approach to community engagement developed by Professor David Watson in his *Managing Civic and Community Engagement*. Or, as the Association of Commonwealth Universities has described it:

Engagement implies strenuous, thoughtful, argumentative interaction with the non-university world in at least four spheres: setting universities' aims, purposes and priorities; relating teaching and learning to the wider world; the back-and-forth dialogue between researchers and practitioners; and taking on wider responsibilities as neighbours and citizens'²

La Trobe's teaching and research are particularly focussed around engagement with both our 'communities of interest' and our 'communities of place'. Our communities of interest include our staff, students and alumni, scholarly communities, Indigenous Australian communities, industry, business and the professions, and schools. Our communities of place include those surrounding the six Victorian campuses and major external teaching programs.

It is often unhelpful to conceptualise knowledge transfer and community engagement as separate from or in addition to the core activities of teaching and research. What is important is to make explicit how each institution defines its purposes and priorities, relates its teaching priorities and student experience to the wider world; connects its research priorities to economic, social or cultural goals; and defines its contribution to its 'place'.

La Trobe is not convinced of the value or necessity for a separate funding stream to support 'community engagement or knowledge transfer. Within the proposed compact system there should be clear negotiations about the particular way each university's teaching and research will connect to their local, regional, national or international 'communities'. Both parties should identify the goals to be achieved through community engagement or knowledge transfer, and the costs involved. For example, La Trobe's particular mission to provide teaching and research in and for regional Victoria should identify particular outputs (such as meeting the skill shortages in key professions in northern Victoria), and identify any additional teaching costs connected to this.

Similarly, the wider business community and many students are strongly supportive of moves to provide opportunities for work-integrated learning or structured internships. This approach to teaching which is very much focussed on knowledge transfer and industry engagement is unsustainable on a large scale under the current funding model and without much higher levels of state or national coordination. La Trobe supports the proposals outlined in the Universities Australia report on *A National Internship Scheme* (2007), and the IRUA submission to the Bradley Review on 'Work and socially-integrated learning partnerships'.

And in research, La Trobe wishes to provide research-based contributions to the enormous environmental, economic and social transformations occurring in regional Australia (including the northern corridor of Melbourne). Funding for such research relies on strong partnerships with different levels of government, industry and competitive funding agencies. Funding should be defined in terms of agreed outputs of benefit to regional communities,

² ACU *Engagement as a Core Value for the University: A Consultation Document*, 2000, i

but within an agreed research funding model rather than through a separate 'community engagement' fund.

We believe that the contribution of higher education institutions to economic, social and cultural development could be enhanced by the creation of organisations modelled on the UK Regional Development Agencies, which would have a responsibility (financial and organisational) to co-ordinate development activity which is currently spread across multiple layers of government. The overlapping and sometimes uncoordinated development jurisdictions of different federal, state and local government agencies places constraints on universities in their endeavours to meet the challenges of national and regional skills shortage and under-investment in research and development activities.

8. Resourcing the system

Under the current funding regime there are a number of core activities which are inadequately funded, and indirect evidence that declining funding per student is now beginning to have an impact on the quality of learning. Given the very major work that most universities have undertaken to improve the quality of their teaching in response to the work of the Carrick Institute as it was, and the incentives in the Learning and Teaching Performance Fund, there should have been greater improvements in the student satisfaction indicators. There is no doubt that students are now receiving less individual attention because of efficiency measures such as increasing tutorial sizes.

More particularly as the work led by Professor Anne Pauwels for the Group of Eight identified, it is reasonable to say that there is a crisis in the teaching of languages in Australian universities because Commonwealth funding simply does not cover the cost of this work. La Trobe is a key provider of language teaching in Victoria, and strongly endorses the Group of Eight 2007 report *Languages in Crisis in Australia: A Rescue Plan for Australia* (www.go8.edu.au).

The current revenue arrangements for higher education have a number of unintended consequences which need to be addressed .

- Capital funding

As a result of inadequate capital planning across the university sector, there is now a significant capital deficit with a consequent impact on the quality of teaching and research, and on the international competitiveness of Australia's higher education sector. Paradoxically, this is particularly problematic for newer universities built over the past 40 years because for many the useful life of their capital assets is now being reached. At the same time they have not had the capacity to build significant alternative revenue sources or had the reserves of the older universities. A capital renewal program that recognises the structural imbalances in the university sector is therefore needed to protect the overall quality of university education. There would be strategic benefit to the sector from a draw-down on the assets of the Education Investment Fund in order to bring the capital infrastructure of Australian universities to the standard now attained by major Asian, European and American competitor institutions.

- Research funding

The cost of Commonwealth competitive or other grants for research should be fully funded to avoid cross subsidies from teaching, and to avoid any future deficiency of investment in research infrastructure. Current competitive grant funding is perverse. It requires subsidies from teaching and other sources to fully meet the cost of research. This significantly advantages some older universities where accumulated wealth gives greater capacity to cross subsidize from other sources. Less advantaged universities either do not compete or are at risk of undermining the quality of their teaching to do so.

- Teaching funding

University revenue is strongly related to history. As a product of their history, older, more established universities have greater capacity to raise revenue from a range of sources, including investments, alumni and donations. They have also captured higher status professional courses, which draw greater levels of income, particularly from international students. As a result they attract more advantaged students.

The current funding model therefore significantly disadvantages newer universities servicing less advantaged areas, particularly in regional settings. Funding compacts for teaching services provide an opportunity to address these structural inequalities in order to level the playing field for institutions providing education to less advantaged populations. Much greater emphasis should be placed on adjusting funding levels for participation by disadvantaged students to ensure they have comparable quality of education as those attending elite institutions. Funds directly tied to participation would also provide incentives for older, more established universities to attract these students. In addition, explicit funding incentives and criteria are needed for engagement and knowledge transfer. This is particularly important for regional higher education.

- Efficiency and effectiveness

The current funding model sets unreasonable incentives for revenue raising and cost reduction. There is little incentive to deliver undergraduate or postgraduate programs more efficiently, for example, by reducing the length of time required to complete a degree because load payments are effectively for the time period for which students are enrolled rather than for achieving an outcome (i.e. producing a graduate). There is no gain in reducing the length of time spent obtaining a degree since institutions would simply be paid less per graduate for doing so. If there were incentives to reduce the time to graduation without reducing overall payment for a graduate, universities would have significant incentives to increase the utilisation of their staff and teaching infrastructure which stands empty for a third to half the year at present.

Instead, in the absence of appropriate incentives, cost reduction has, unsurprisingly, focused on increasing the ratio of students to staff and reducing the unit cost of labour by employing casual staff. As casualisation of junior positions has occurred, the lack of training and recruitment of the next generation of academics has become a significant unintended consequence of this funding arrangement. It is critical that new forms of employment and career development such as graduate teaching assistantships for doctoral students are introduced to address this problem.

Nor is it possible to increase prices. Undergraduate prices are heavily regulated by the capping of student contributions and subsidy provided by the Commonwealth. Postgraduate fees are effectively capped by the price of undergraduate fees. Now full fee undergraduate places have been disallowed. This leaves only full fee international as a source of growth revenue. These opportunities are heavily focused on low cost, high demand programs in business. Chasing international revenue to subsidize domestic education and research is an inherently unsustainable model.

The current funding model is also subject to significant regulatory risk. If for example, VET providers or other non research focused institutions have widespread access to the provision of degree level programs, their lower cost structure will significantly undermine the competitiveness of universities. If this is to occur, it will be critical to have a funding model that recognises the full cost of research for both competitive grants and more broadly through the Institutional Grants Scheme.

Not only does the current cost allocation model for universities fail to recognise structural differences between universities, there is also little systematic relationship between the cost of delivering programs and cluster weights for different discipline groupings. This is particularly problematic in professional courses that require costly staff student supervision in applied settings to develop professional competencies.. For programs in health and education, these

issues are further compounded because professional supervision is generally provided by State funded health services and schools. At least in Victoria, this has led to the State Government instituting cost recovery strategies for professional training. This issue should be addressed by the Review.

- Corporate Services

Most universities have wrestled internally with how to make corporate services more efficient. At least one University has now moved to outsource almost all corporate services. It makes sense for there to be a shared review of alternative approaches to efficiencies in this area.

One possible example could be to explore the value of a sector owned Facilities Services Company. The company would be a fully independent company owned by the universities whose primary function is to achieve economies of scale for functions that lend themselves to such activities and are capable of delivering more cost effective outcomes. For example, the company could provide services to universities such as Accounts Receivable/Payable, Payroll Processing, Maintenance, Gardening, Printing, and Procurement services. The model could be extended to cover IT hardware through a bureau service and the running of share software. In this context, La Trobe believes there is merit in preparing a business case to test this proposition. The business case would need to be accompanied by a cost based benchmarking exercise to better enable the sector to understand its costs and compare them against other providers of similar services. In this way some of the cost pressures being experienced by universities could be mitigated.

9. Governance and regulation

La Trobe University endorses the response of the Innovative Research Universities Australia on the broad issue of governance and regulation. We would wish to highlight two issues in particular:

- Higher education and the provision of public goods

The Australian higher education landscape is already complex and diverse, with a multitude of private and public-sector providers of degree-level education. Diversity is a valued aspect of the sector which should be promoted— it enables niche providers to tailor courses to meet specific teaching demands which are not catered for by large multi-function universities. It should be recognised, however, that niche providers, particularly those operating on a for-profit basis, have fewer expectations placed on them by internal and external stakeholders to provide a broad range of ‘public goods’ – such as provision of loss-making degree courses that meet specific labour market demands (e.g prosthetics); provision of a higher education infrastructure in regional and rural locations; promotion of access and equity among disadvantaged groups; and the training of the next generation of academic staff. It is therefore the case that there is not at present a ‘level playing field’ in terms of the service requirements placed on different types of providers. This needs to be recognised to ensure that the extent and means of funding for different types of providers is adequate to the tasks they are expected to fulfil. A deregulated ‘open market’ approach would inevitably lead to cherry-picking of high-profit courses by low-cost providers; this in turn would constrain the capacity of multi-function public universities to cross-subsidise the provision of public goods.

- Quality assurance in teaching

The quality assurance regime in Australian universities has been significantly strengthened in recent years through the work of a number of agencies, most notably AUQA. There remains, however, a considerable challenge in determining the quality of teaching outcomes. Teaching outcomes are typically referenced against norms – particularly the duration of study - rather than explicit performance criteria. Australia lacks an explicit structure of nationally-agreed performance benchmarks in each discipline or subject area that would enable comparative evaluation of teaching outcomes across all higher education providers. We believe that the development of these explicit performance and achievement criteria would be a major contribution to ensuring comparability of qualifications across all higher education providers.

Conclusion

If Australia is to be a leader in the globalised knowledge economy of the twenty-first century, it will need to direct a growing share of national income to support education and research; public expenditure on teaching and research in Australia is currently well below the OECD average. It seems unlikely that a leadership position in the knowledge economy can be achieved without significant and sustained commitment of public funds; this public investment will generate long term economic and welfare benefits for all Australians. The first, essential, decision by government is to recognise and address this resource imperative.

It is also necessary to ensure that increased resources are used more efficiently and effectively to maximise the return to public and private investment in higher education. La Trobe University believes that there are three necessary steps to increase returns:

- Immediate investment in higher education infrastructure to bring the sector's facilities up to the standards of major competitor nations.
- Adoption of full funding of research, based on competitive evaluation of research proposals and outcomes, in order to remove the need for cross-subsidisation from teaching and to prevent further deterioration of research infrastructure.
- Development of compact funding of teaching, in which a framework based on cluster funding is supplemented by institution-specific (and possibly state-specific) agreements to provide additional financial resources to meet agreed goals in relation to issues such as equity and access, regional provision, responding to specific labour market needs.

La Trobe University does not support a move to a deregulated higher education system (for instance by the introduction of student vouchers). We believe that this would be inconsistent with the responsibilities of federal and state governments to regulate public expenditure to achieve desired public benefits, such as workforce planning, equity and access.