31 July 2008

Prof Denise Bradley
Chair, Review of Australian Higher Education
Review Secretariat
GPO Box 9880
Canberra ACT 2601

Dear Prof Bradley,

Thank you for the opportunity to provide feedback on the discussion paper and to respond to the questions raised in it.

As stated in public on a number of occasions, and in Australian Catholic University’s preliminary submission to the review in April, I believe that Australia should aim to have an excellent higher education system that is world-class not in the sense of having a handful of world-class institutions, but in the sense that the entire system, comprised of universities with diverse missions, is in sum excellent. As such, ACU is in favour of the compact system of funding universities to meet their diverse missions.

Each Australian university must be valued – financially and in policy terms – for the vibrant difference that it individually brings to the national collective. Naturally, our great research institutions will receive a greater measure of research funding, but other universities will be funded for other strengths.

It is a positive step that the Bradley discussion paper has brought an entirely valid consideration into the diversity debate through the insistence upon the centrality of social inclusion and participation. These have always been central planks of any diversity agenda and I am gratified that they have been introduced so decisively into the policy mix. Whatever policy prescription is applied to Australian higher education, it must be one that furthers these two goals. Any proposed policy path should be tested at least as rigorously against these two criteria as it is against such considerations as the achievement of a world-class research platform.

ACU’s unique position as a publicly funded institution in the higher education sector is centred on its Catholicity and its establishment in four states and territories in Eastern Australia, with each jurisdiction having a unique history of Catholic higher education. It is a medium-sized university by Australian standards, but with six small campuses, it is able to offer a personalised education to its 17000 students. An ongoing challenge for ACU is the funding of development across six regionally-dispersed campuses.

With all of this in mind, I believe what needs to be established first is a very clear and concrete philosophical framework for higher education policy. Once this is clear, it will be possible to move forward, to test prescriptions against it and hopefully to defend against short-term demands that the policy framework be reinvented.

Please find following Australian Catholic University’s responses to a number of the questions.

Yours sincerely,

Prof Greg Craven
Vice-Chancellor
Ch 1
Higher education in modern Australia

1. How adequate is the statement of functions and characteristics of higher education in modern Australia?

The statement is adequate, providing a comprehensive and achievable vision for higher education in Australia.

Ch 3
Key challenges and issues for higher education

S 3.1 Meeting labour market and industry needs

2. Are there impediments to the higher education sector being able to innovate in the development of courses and programs? What are these impediments and how could they be removed?

Impediments to the sector being able to innovate in the development of courses and programs include the following:

- The freeze on the allocation of additional Commonwealth Supported Places and the abolition of fee-paying domestic undergraduate places is already severely affecting universities’ ability to respond to labour markets. Universities’ ability to offer new and innovative courses will be confined to the domestic postgraduate and international student markets.
- The capacity of the University to be responsive to market demand is limited by a layered and disjointed system of regulations, including differences that occur in state based professional accreditation requirements.
- Developing new courses usually requires a different staff profile to develop curriculum, teach courses and engage in research. There are significant costs associated with recruitment of new staff and reallocation of workloads for existing staff.

Ways to address impediments:

- The Commonwealth should consider rolling back or modifying the abolition of domestic undergraduate fee-paying places or else devise a way to enable universities to increase their load, should the demands of the labour market and prospective students require it.
- Greater dialogue and consultation between traineeship, apprenticeship groups, employment bodies and universities in terms of new courses to meet the marketplace needs – There needs to be a capacity for the professions and industry to provide input and influence into the curriculum of courses already on offer and those that need to be developed.
- Better formalized links between VET and universities in providing holistic solutions to these labour market shortages.
- Professional national associations can ensure that courses developed in states adhere to national standards so that skill shortages in a particular state can be met by graduates from all states and territories.
3. What are the appropriate mechanisms at the national and local level for ensuring higher education meets national and local needs for high level skills? What is the role of state and territory governments in this area?

The Commonwealth’s proposal for a compact system of funding has merits in this regard. Funding universities according to their mission will have the effect of creating diversity in the sector and enabling universities to focus on specific disciplines and outcomes relevant to each university. The responsibility for the negotiation of these compacts will need to be taken by an independent Higher Education Commission-type body that receives input from State and Territory governments into the local and regional labour market requirements. Such input would take into account the relationship between universities and the Vocational Education and Training sector in meeting those labour market needs.

4. How adequate are the mechanisms for aligning supply and demand of graduates? How do pricing and labour market signals impact on student choices?

The currently available information for prospective university students is inadequate and does not clearly outline the facts in one easy-to-decipher information source.

Providing clear and accessible advice to prospective students, through the Going to Uni website, careers adviser information and potentially direct advertisement and publicity, about the areas of skill shortage (with relevant projections of shortage) as well as graduate starting salaries and other appropriate information. This would enable prospective students to be aware of the employment possibilities into the future, a factor which anecdotally is a significant influence on choice of university course.

5. Are there particular examples of good practice where you can demonstrate either rapid response to skill shortages or successful initiatives to improve generic skills?

The best examples of rapid responses to skills shortages have involved Commonwealth and/or state government collaboration with the university and/or VET sectors to promote careers in the relevant sectors. The successful advertising campaigns for nursing as a career in some states are an example of this.

6. How effectively are Australian higher education institutions responding to demographic change, especially in providing lifelong learning to meet the challenge of the ageing population and the need for upgrading of skills and re-training?

Many universities tend to be focused on responding to the school leaver demographic. However, the future seems to suggest that Universities need to focus on attending to the needs of a greater concentration of older adults seeking to upgrade skills or retrain. This cohort has traditionally had lower rates of participation in post compulsory education and training. Universities can respond in the following ways:

- Developing schemes and services to encourage participation of this cohort in lifelong learning pursuits – access to mentoring and counselling programs both within the workplace and in higher education institutions
- Advocating for greater articulation between TAFE, University and the continuing education sectors
- The professions and workplace working in partnership with higher education institutions to provide opportunities for up-skilling, training and retraining. This can occur within the workplace itself or in higher education settings. These courses are accredited and can be used towards gaining credit in undergraduate and postgraduate programs.

In addition, it would be worthwhile for the Commonwealth and State Governments to consider the introduction of a national careers service, focused on adults wishing to retrain or up-skill.
7. What is the relevance and applicability of the findings and approaches proposed in the United Kingdom paper, Higher Education at Work, for increasing skills levels in the workforce to Australia?

3.2
Opportunities to participate in higher education

8. Should there be a national approach to improving Indigenous and low SES participation and success in higher education?

A national system would be favoured by ACU, providing that it allowed for state and regional requirements to be factored into any system development. A national system would allow the Commonwealth Government to resource local and state areas according to the greatest need.

The Commonwealth should also consider establishing further incentives for universities to recruit and educate Indigenous and low SES students. One possibility for such incentives would be a loading on the Commonwealth contribution for students from disadvantaged backgrounds.

9. If you support a national approach to improving Indigenous and low SES participation and success how do you see it being structured, resourced, monitored and evaluated?

The compact system of university funding being proposed would need to have allocations made for social justice/equity funding in addition to the other activities of teaching and learning, research and community engagement.

The system would need to be resourced nationally and implemented locally. The administration of these programs is national with local implementation groupings – monitored and evaluated by professions that are relevant to these communities. Greater engagement with these communities by government and higher education sector, to establish needs and promote the benefits of engaging in ongoing learning and education, would also be required.

The Commonwealth also must consider increasing resourcing for universities that grow participation and retention of Indigenous and low SES groups. A university’s success should not always be measured in its ability to meet EFTSL but in terms of attraction and participation in traditionally low participatory groups. ACU National’s work to date in this area is tied with our Mission but economically (the ability to fill large number of university places) is not rewarded or recognized under the current system.

ACU also encourages greater accessibility to Austudy and Abstudy for regional students to help lessen the divide between participation in city and regional areas. The expense for regional students to go to university and pay the costs associated with living expenses remains the single biggest deterrent in increasing participation equitably across urban and regional Australia.

In addition, there needs to be an increase the number of Commonwealth Scholarships that are available to encourage students from these backgrounds.
10. What institutional initiatives have proved successful in increasing low SES or Indigenous participation and success? (Please provide information about outcomes as well as activities.)

In disadvantaged communities around Australia, low education levels, social decay, crime and welfare dependency continue to wreak havoc on disadvantaged people. The most effective welfare activities are those that engage the whole community in education, employment and the development of strong individual and community self esteem.

Australian Catholic University’s (ACU) priorities include building capacity with neighbourhood social welfare agencies, under-privileged schools and community health centres to assist disadvantaged people in managing their lives and accessing further education. ACU works with the disadvantaged communities where our campuses are located, including Sydney CBD and Mt Druitt NSW, Fitzroy in Melbourne, the northern corridor of Brisbane, and Ballarat. ACU is strongly motivated to build its capacity to partner with under-privileged schools to assist the disadvantaged manage their life challenges, and encourage further education as a pathway out of poverty.

For more than nine years, ACU has integrated community engagement into its undergraduate courses at its six campuses. The University believes such learning has an enormous impact on how future citizens relate to the world around them. By including community engagement as a core part of learning, the University places priority upon developing students’ social consciences and demonstrating that individual efforts can improve the community in which we work and live.

ACU is currently running a successful program to engage students in Years 10, 11 and 12 in disadvantaged communities through the provision of educational support programs that form part of ACU’s undergraduate students’ compulsory volunteer service. A key objective of the program is to expose upper secondary students to the university experience through guided activities and the undertaking of university level subjects.

The success of the program has been demonstrated through the numbers of former participants returning to their communities to work as teachers and to give back to the community that supported them through the program some years before.

In addition, ACU’s ongoing commitment to the development of indigenous units such as Yabalinga and Weemala has enabled ACU to have one of the highest proportions of Indigenous students of all Australian universities.

11. What evidence is available from institutions about the impact on individuals or groups of either failure to gain income support or the inadequacy of income support?

Significant research has been undertaken in the past with respect to the issue of income support. The data show that many individuals, particularly those from regional areas, are disadvantaged with respect to the inadequacy of support. Anecdotal evidence from ACU’s student services staff shows that demand for assistance programs such as loan laptops, short-term cash loans and use of the food cupboard has consistently increased over the past five years.
12. How can the quality of the student experience within Australia’s higher education institutions be monitored nationally?

The Graduate Careers Australia’s Graduate Destination Survey (GDS) and Course Experience Questionnaire (CEQ) provide adequate information regarding the student experience. In addition, the introduction of the AUSSE has provided a further vehicle for benchmarking amongst Australian universities. Analysis and assessment of the data from these surveys must continue to ensure that they are meeting all relevant stakeholders’ needs with respect to student experience data.

13. Is there evidence that declining staff/student ratios have impacted on the quality of the student experience?

Remarkably, the decreases in real funding and consequential decrease in number of staff per student has not had a major impact on the results of the CEQ in the sector overall. Use of specific institutions’ data may provide evidence to show the link between larger class sizes and lower levels of student satisfaction.

14. How can the quality of learning outcomes in Australian higher education be measured more effectively?

Australia could consider using similar tools to those used overseas to measure learning outcomes to enable national and international benchmarking to occur. ACU would also welcome a process that enables industry and the professions to provide formal and informal feedback to the higher education sector and government relating to the quality of graduates and their ability to meet workplace needs.

15. How do institutions measure the quality of their learning outcomes and how do they know they are nationally and internationally competitive?

Many institutions use benchmarking with Australian and international universities in the form of comparison of survey results in order to ensure competitiveness. A more formalized system to measure nationally and internationally could be welcomed by the sector, providing that the implementation and ongoing monitoring were funded appropriately.
16. To what extent should vocational education and training and higher education continue to have distinctive missions and how should these missions be defined?

The two sectors must continue to have distinctive missions to ensure that the diverse needs of the sector are being met. It is imperative that universities remain the mainstays of research and innovation in Australia. They are the bastions of independent thought, policy and learning and they must be defined and constituted separately from VET providers to ensure innovation is not lost, to the detriment of the national and local economies.

The missions of institutions can be defined according to:

• areas of specialty and research focus
• the geographic catchment area(s)
• cultural and organizational heritage
• local community requirements

17. Does the movement between the sectors of students with credit need to be improved? If so, in what ways?

There is a plethora of arrangements between universities and VET providers, often making it confusing for students to access clear information regarding options for credit transfer and articulation. The amount of credit granted can vary greatly between institutions.

Ultimately the responsibility for offering pathways from VET courses to university rests with individual providers. The Commonwealth and State Governments should offer incentives to universities to provide clear pathways between sectors based on enrolment data.

There also remains scope to work across sectors to better develop niche products that can be jointly offered across the sectors. There is opportunity for more integration between the private and public sectors so that offerings can be viewed as complementary rather than competitively.

18. To what extent should relative provision between the sectors be planned or demand driven. What are the effects of current differences on funding, governance and regulation in limiting planning or influencing choice between the sectors?

19. Can institutions provide examples of good practices which have led to movement between the sectors with high levels of credit and good learning outcomes?
Higher education’s role in the national innovation system

20. By what mechanisms should research activities in Australian universities be supported?

The Federal Government has a key role to play in providing support for research activities in universities and other research institutions. Government provides a wide range schemes which, in general, are effective in directing support to researchers on a competitive, peer-reviewed basis. Support for research higher degree students through postgraduate research awards is critically important in enabling new talent to be fostered, and the recently announced increase in the number of these awards is to be commenced.

It is very important to the future of research in Australia that funding be distributed equitably (in proportion to size and complexity) across the sector. For a large number of universities, a major part of their development has taken place within the period of the previous Coalition Government. It is in that period that Federal funding of Universities, including research, has decreased significantly. Many of these universities provide the best demonstration of the diversity which exists in the system and are located outside the major metropolitan areas or serve particular student needs. The communities and specific sectors of society served by these universities benefit greatly from the expertise contained within universities. Funding of research in universities needs to be considered in the context that a large number of group universities, generally not aligned in a formal grouping, have been at a disadvantage for a decade, and now these universities particularly need funding for strategic priorities in order to maximise their contribution to research and innovation for the benefit of the nation.

ARC Linkage grants are of great benefit to the building of links between Universities and industry, but the success rates in this scheme has been declining and many projects which are worthy of being funded are not receiving support. Some expansion of this program to bring success rates up to acceptable levels would be highly desirable. By reducing the overall commitment to the CRC Program, and expanding the ARC Linkage Program, more opportunities for university-industry links could be developed. In particular, the ARC Linkage grant scheme has a greater potential to assist in building very important relations with small and medium size industry partners which are not easily drawn into the CRC process. In order to grow the research commitment of industry in Australia it is vital to increase the involvement of small and medium size businesses in research and development. ACU is one University amongst many which would benefit from greater potential to attract such partners.

Similarly, the Centres of Excellence program could be expanded, even if that were also to occur at the expense of the CRC program. Centres of Excellence have the advantage of greater flexibility, simplicity in governance and potential for long-term maintenance subject to performance evaluation. The CoEs can include readily industry partners and could provide a vehicle for collaborations between institutions. Greater investment in CoEs would be a desirable direction for the Government to pursue.

Taxation and the R&D Tax Concession Issues
There has been much discussion about the need for reform of the tax concession arrangements. ACU wishes to endorse the view that reform in this area is needed, especially if small and medium size businesses are to be encouraged to invest in research. The present scheme could be adjusted to provide a higher level of taxation benefit to businesses which invest directly in research being conducted in universities and research institutes compared with other forms of investment.

Humanities, the Arts, Social Sciences
The humanities, the arts and the social and behavioural sciences have a great deal to offer in the advancement of our understanding of the world, but the humanities, in particular, have been allowed to decline in Universities over the past decade. Australia needs a strong national base for the humanities in order to understand and respond to a range of contemporary issues such as immigration, international relations and social justice.

The nation is defined, in large measure, by its culture, and Australia has much to be proud of in regard to literature, music, film, dance, art, architecture and design. These areas need support if Australia is to be proud of what it creates.
have a vibrant, internationally identifiable cultural presence in the region. Innovation is likely to come from multi-disciplinary approaches which draw upon the humanities and the sciences. Examples of relatively neglected areas include philosophy, theology, languages and societal/cultural research related to our region. Consideration should be given to ways to increase funding to these areas, perhaps through a specific funding channel within the ARC.

**Higher Degree Research Programs**

It is well accepted that there will be a critical shortage of PhD-qualified academic staff in Australian universities as the cohort of staff who reach retirement age move out of the sector. There is therefore an urgent need to attract well-qualified graduates, who will be the contributors to the innovation of the future, into research higher degrees. This situation could be addressed by: (1) an increase in the number of research higher degree scholarships to levels beyond those announced already by the Federal Government; and (2) payment of higher stipends associated with these scholarships so that the remuneration is attractive relative to the market competitors.

**Infrastructure Support**

Research infrastructure has been allowed to decline to quite unacceptable levels across Australian universities. Although this problem may be partially addressed through the IEF, this solution can only be regarded as a long-term strategy which would be valuable once immediate problems had been rectified. It is also of concern that the Research Infrastructure Block Grant (RIBG) funding has not kept pace with the allocation of funds for research projects through the ARC and NH&MRC.

The decline in research infrastructure could be addressed through an allocation to the total RIBG pool of an amount which equates to a specified proportion of funding for project grants under the major external grant schemes (ARC and NH&MRC), with a commitment to *at least maintain* that proportion into the future.

**21. On what principles and for what purposes should research activity be concentrated in particular universities or types of universities?**

Research activity as such should not be concentrated into particular universities or types of universities. All universities should make a contribution to Australia’s research effort. There is great diversity in the sector, and that is likely to flourish under circumstances in which funding for research is broadly spread across universities which serve different student markets, geographic locations and stakeholder groups. Concentration within universities upon particular field of research is a natural and desirable feature of sectoral diversity but the corralling of research activity generally into particular types of universities risks doing great damage to Australia’s reputation in higher education with consequential damage to the international business opportunities which have been so successfully pursued in the last decade. It is also risks doing damage to regional areas and the outer metropolitan zones which should be equitably served by our higher education system. Of course, the basis for these arguments rests in the assumption that a university is a place of both teaching and research, the subject of the following section.

**22. Do you believe there is a place in Australia’s higher education system for universities that are predominantly ‘teaching only’ universities? If so, why?**

Australian Catholic University is committed to the concept that a university is, by definition, an institution which engages in both teaching and research. This is a view not only of this particular university’s role in our society, but is a more fundamental view about the nature of a university. There are other types of institutions which provide education, particularly of a vocational nature. There are, of course, research institutes in which research is naturally the main activity. Only a university aims to engage in both teaching and research. Few other institutions in society have stood the test of time upon which this ideal is based.

Universities need to have a research platform to inform their teaching practice. A greater number of universities operating with a research focus will ensure greater innovation and contribution to building a knowledgeable and highly skilled nation.
Australia’s research effort would be severely damaged by a move away from this model of a university. One serious negative consequence would be the lack of an appropriate environment for students who undertake an Honours year in their discipline. The Honours year is pivotal in being the culmination point for significant numbers of students in undergraduate programs, enabling students to engage in research and research training in their final year. The Honours year is also pivotal in providing our talented graduates with a strong basis to continue with their studies by enrolling research higher degrees, especially the PhD degree. If some universities were to become “teaching-only” institutions, they would either not be able to offer Honours programs at all, or they would continue to offer them at a much lower level of quality because it is especially important for supervisors of Honours research projects to be leaders in their own fields of research.

A second negative consequence of “teaching-only” universities would be the impact on regional and outer metropolitan areas in which many of the institutions are located. Universities in these regions provide a valuable resource to their communities and are also responsible for considerable economic benefits in their regions. Many of the benefits which flow from these universities are a result of research activities. If these universities were to be relegated to a teaching-only role, the communities would no longer experience the many benefits which a university brings to the region, and there would be a risk that students in these regions would receive degrees from institutions which would be of an unacceptably low quality which is likely to affect the prospects for graduates.
23. Are there any unintended consequences of the current approach to internationalisation of higher education in Australia?

Australia has had a very successful record of achievement in international education. It is the country’s third biggest export industry, and international students represent about 20% of all university enrolments. The revenue generated from fees represents a significant proportion of the annual income for most Australian universities, approaching A$12 billion. It is well recognised that, in proportion to its size, Australia has been at the forefront of internationalisation.

Although this international activity represents a substantial financial benefit to Australian universities, other benefits to the nation include the development long-term collaborative partnerships with other countries, a better understanding of other societies and cultures, improved communication and cooperation, tourism, opportunities to develop business relationships and trading partnerships, and increased security.

There are also benefits to university campuses during the period of onshore study by international students. International students enrich the life of campuses by bringing a part of their culture with them, and they can contribute to the greater knowledge of Australian students about ways in which people from other cultures live, communicate, think, work and study. Long-term friendships may also form which are satisfying to both local and international students. In general, the results of surveys of international student consistently show that a low percentage report making Australian friends. This issue ought to be of concern because it may diminish the quality of experience of students while they are in Australia and not maximise the benefits to be gained from greater understanding of Australian society and its people.

The changes under the Voluntary Student Unionism legislation have also had a negative impact on the ability of universities to provide support for student activities which would otherwise have been of benefit to engagement of international students with domestic students.

Australian universities are generally viewed as being of high quality, although we face fierce competition from universities in the UK, USA and some Asian countries. Any slippage in our reputation as a provider of high quality education would be disastrous. Australia is generally perceived as safe, politically stable and friendly. It is also sometimes viewed as racially prejudiced towards people of certain backgrounds (e.g., Asian, Muslim), expensive, remote.

The unintended consequences of the success of internationalisation are clear: many universities are now critically dependent upon this source of income. Previous governments have encouraged greater entrepreneurial activity and less reliance on Federal funding. International fee income applied to on-shore international students has been a relatively easy route for most universities to take in order to decrease reliance on Federal funding and gain a pool of revenue which can be used for a variety of purposes identified by the university itself. The risk exposure is now quite critical for many universities. If there is a significant downturn in the international student market, universities will not be able to support their key teaching activities. Such a downturn may arise as a result of a number of factors such as: increased value of the Australian dollar; rising cost of airfares; major terrorist activity, particularly in Australia; perceived lowering of quality of universities and educational developments in other countries. Australia needs to be better prepared for the fact that international mobility can work in both directions, and many universities in China and other parts of Asia will be well placed to attract students from Australia to study in specific fields.

In summary, there is significant risk attached to the current approach. Pressure on universities to continue in this vein would be attenuated by increased levels of support from Government. The Australian approach to international education is maturing from an overly simplistic view of the need to attract students to our universities to one which involves long-term collaboration with other governments, agencies, industry and universities. It is not clear that the Federal and State/Territory
Governments have recognised this relatively recent development. This new approach needs to be fostered, and Government will have a role to play in assisting universities, particularly through its agencies and offices in other countries.

24. What is an appropriate role for government in assisting the Australian higher education system to internationalise? On what principles should this role rest and what purposes should it serve?

 Assistance from government that enables universities to identify appropriate partnerships that best fit the nature and size of each university.

Appropriate partnering of Australian universities with overseas universities could result in shared curriculum offerings that would

- enrich the student experience and provide opportunities for employment and career advancement globally
- provide international recognition of qualifications

For this to occur, universities would require assistance from government in relation to governance, course and program accreditation and identification of best cultural and institutional fit.

Principles:

- Promotion of high quality education through funding and quality assurance mechanisms
- Support for consistency across States and Federal jurisdictions
- Setting of appropriate levels of legislative controls
- Provision of support for Australian education and research in other countries

The main way in which the Federal Government can assist universities to internationalise is to ensure that Australia has the highest possible educational system which is properly funded for teaching, research and supported by excellent infrastructure and quality assurance mechanisms. These are issues covered elsewhere in this submission, but their significance for internationalisation should be recognised.

The lack of consistency across States and Territories in regard to support for international students is of concern. In some states, any children of international students are exempt from state school fees, while in other states they are not exempt from fees. A similar issue arises in relation to transport concessions which, given the distance between university and home may place an exorbitant burden on students who cannot afford housing close to the campus at which they study. Our international competitiveness may also be affected by providing inadequate support for international students. A uniform approach is this area would be very helpful. These are issues with which the Federal Government could provide assistance through the COAG processes.

The ESOS Act and the National Code provide a comprehensive framework for the processes surrounding Australian international education. The intentions behind this system are several: protection of the investment in our export industry; protection of students against unscrupulous behaviour and sub-standard service, and protection of the nation’s immigration system. In attempting to achieve these laudable objectives, the system is now so cumbersome and complex that significant investment is required simply to ensure compliance with the regulations. Even with the best of intentions, many universities would probably find themselves unwittingly in breach of some aspect of the National Code. The burden on universities is too great, and this system may not even be achieving the best outcome. The Government could initiate consultation with the universities in order to reduce the level of complexity and the burden of reporting in this area.

A further way in which the Government could provide support is through its network of offices in other countries. Federal support is principally provided through consular offices, Australian Education International and Austrade. The level, nature and quality of support need to be reviewed. For example, the whole of Europe (EU and beyond) is serviced by one Counsellor – Education, with one Research
Officer, located in the Embassy in Brussels. Similar positions are located in about a number of other countries. This is not a serious level of support, especially given the significance of this export industry and the increasing focus by universities on strengthening long-term collaborative research relationships with industry, research institutions, universities and government agencies. An examination of representational requirements should be made with a view to achieving levels of engagement in other countries which are commensurate with the significance of this industry.

An additional role which could be played by the Federal Government concerns the support for study by local students at overseas universities. This issue will be dealt with in the following section.

25. Can you provide any examples of good practice in encouraging local students to undertake study in other countries?

One aim of international education is to prepare students to spend periods of their lives working and living in a country which is not the place of their origin. It is likely that significantly increased mobility of people will occur during this century, and universities need to equip students for this aspect of their future lives. Australia has not been very successful in achieving this goal. Even in exchange programs based upon agreements between Australian and overseas universities, the ratio of incoming to outgoing students is rarely better than 4 or 5 to 1. The impediments to international study by local students include the costs associated with travel and living in another country, exacerbated often by the sacrificing of existing casual work and accommodation arrangements in Australia. Lack of facility with languages also represents an additional obstacle for study in some regions.

There is a role for the Federal Government to play in supporting students to study for a period off-shore. Specific funding mechanisms need to be established to encourage students to undertake such studies.

The study of foreign languages has decreased dramatically over the past decade and action needs to be taken to reverse this situation as a matter of urgency if Australia is to remain internationally competitive and maintain expertise for purposes of trade, communication, collaboration and security.

Australian Catholic University has recently introduced a scheme to support local students to study overseas for one semester. This scheme involves providing up to $2,500 per student to support their international travel. Funding has been allocated for up to 60 students per year, but this limit has not been reached to date. Although growth in numbers is expected to occur over the next few years, these numbers are still very low.

In order to encourage greater participation in overseas study programs for local students, the Federal Government might consider introducing specific schemes, such as:

- HECS rebate to students for any units which are studied outside Australia (while maintaining the equivalent funding to the university for each unit studied overseas)

- support for students to study in a set of non-English speaking countries would also be helpful and would have greater national benefit

- support for language study while overseas
Higher education’s contribution to Australia’s economic, social and cultural capital

26. How would you define knowledge transfer and community engagement in an Australian context?

Community engagement is the process through which the University brings the capabilities of its staff and students to work collaboratively with external groups and organisations to achieve mutually agreed goals that build capacity, improve well-being, and produce just and sustainable outcomes in the interests of people, communities and the University. Community engagement is a two way process that ensures mutually beneficial partnerships.

Australian Catholic University values community engagement as:
- a key means of advancing its Mission in serving the common good and enhancing the dignity and wellbeing of people and communities, especially those most marginalised or disadvantaged;
- integral to its teaching, learning and research; and
- affirming relationships that depend on trust and genuine partnerships with community organisations, institutions and corporations.

It considers the following principles as important:
- Community engagement is to be a whole-of-university commitment that involves academic and administrative staff;
- Community engagement, because of its significance for the University, has discernible effects on the structures as well as the functioning of the University;
- Community engagement moves from a stance of compassion for those in need to solidarity with and sustained commitment to them;
- Community engagement is expressed at the local, national, and international levels; and
- Community engagement must involve reflection and the capacity to form new knowledge as a result of engagement.

ACU endorses the broad definition of community engagement and knowledge transfer put forward in the discussion paper and would want to highlight the importance of allowing individual institutions to place different emphases on various activities within this overall definition.

27. Do you believe that knowledge transfer and community engagement are legitimate and appropriate roles for contemporary higher education institutions? If so, how do you see this additional role for the higher education sector blending with its traditional roles and are there limits to these additional roles?

Knowledge transfer (KT) and community engagement (CE) are appropriate roles for higher education institutions. This concept needs to be more fully developed within the higher education sector. Knowledge transfer is integral to the institution having a positive impact and influence on the communities it engages with. It should be central to the development and research agenda for each institution. It informs the continued cycle of growth, learning and improvement.

ACU’s significant experience with CE activities has demonstrated the opportunities for CE to be integrated into the teaching, learning and research activities of Australian universities, and vice-versa. ACU does not consider there to be an upper limit on the additional role KT and CE can play in Australian society. As publicly funded institutions, universities are bound to offer back as much as possible to the national and local communities in which they operate.

The following principles are being employed at ACU to advance the University’s engagement with the community:
Principles of Community Engagement Based Teaching and Learning

Planning
- Identify community engagement learning outcomes for the unit.
- Relate these learning outcomes to students’ life and/or future professional roles (e.g. teachers, social workers, nurses, sport scientists etc).
- Make explicit how the scholarship and learning are related to or stem from students’ community engagement.
- Integrate Catholic perspectives into the learning and engagement.
- Involve community in planning, implementation and review of initiatives in a true spirit of mutuality.
- Be open to the transformative power and creativity that emerge in community engagement based teaching and learning.

Teaching
- Develop or extend students’ understanding of community engagement concepts and approaches through unit content.
- Show how community engagement based learning allows students to both express the University’s mission and develop the attributes of ACU graduates (intellectual, professional, and values).
- Challenge students to develop critical insights through reflection upon their engagement and learning.
- Provide opportunities for students to choose avenues of community engagement within the CE precincts in order to purposefully learn with and from the community.

Assessment
- Structure a component of the assessment around the community engagement.
- Be creative in the forms of assessment used and invite students to identify and reflect upon their transformative learning.
- Explore avenues for self and peer review as part of assessment.

28. If you think that knowledge transfer and community engagement are appropriate roles for higher education institutions, how do you believe these functions should be funded?

“Higher education contributes to Australia’s economic, social and cultural capital most directly through its two core functions of teaching and research. Over the last decade, national and international commentators have also noted a significant trend among many universities towards a third function, which has been described using a range of terms such a knowledge transfer, community service, community engagement and the third stream.” (P54 Bradley 2008)

ACU’s long history of community engagement, in the defined sense of social justice activities, and in the broader sense encompassing most of the activities discussed in the Bradley paper on pages 54-57, has been undertaken as part of its mission as a Catholic university and in the context of the local communities in which it is based.

Most of this activity has been undertaken without specific government funding and thus ACU welcomes any funding system that will allow universities to be funded for these third stream activities. ACU would favour the B-HERT funding model:

- A funding program that has two elements: a base funding grant component and a component for specific projects
- The base funding grant component is directed towards capacity building within universities to facilitate transfer and translation processes
The base funding grant is allocated to universities on the basis of performance in community engagement activities. An allocation for specific projects is assessed according to developmental criteria and allocated on a competitive basis.

S 3.8
Resourcing the system

29. What incentives or unintended consequences are there in the current arrangements for higher education funding?

As stated earlier, the freeze on Commonwealth Supported Places and abolition of domestic undergraduate fee-paying places has effectively put a cap on undergraduate domestic student growth and course innovation. This will undoubtedly lead to a greater and riskier reliance on international student enrolments. It is also likely to bring about an increase in graduate-entry pre-service degrees that are effectively undergraduate programs badged as postgraduate. This will lead to a sub-optimal skewing of the profiles of universities and a loss of access by school leaver students to the traditional three-year professional degree.

The increase in funding pressure that Australian universities face over the foreseeable future will continue to be an issue. Up until now, Enterprise Bargaining plus "incremental creep" has meant cost increases, ignoring growth, of approximately 6% versus the 2% inflation funding. The shortfall has been off-set firstly by revenue from full fee paying students and from 2005, additional Government funded places (in excess of 40,000 students across the sector). Fee revenue growth has plateaued for many universities and the pipeline of the additional Government places is nearing completion.

In summary, funding must include a factor that recognises growth in salary and other costs.

30. To what extent are the current funding models adequate to secure the future of Australia’s higher education sector? If there are better models, what are they?

Universities require greater flexibility in the current cluster-focused funding model to enable them to vary and adapt their allocated EFTSL into areas that meet shorter term market demand.

31. Are the current institutional arrangements for determining relative funding between higher education institutions appropriate? If not, what changes should be considered?

The current institutional arrangements for funding need revision. As stated before, there needs to be a move to a compact system of funding that is negotiated with each university according to its mission and strategic priorities and national and local labour market requirements.
32. Is it time to reshape tertiary education in Australia and streamline financing and regulatory arrangements? If so, what structural changes would you make and why?

Australia must move towards a rationalization of its university governance and financial arrangements through the establishment of a national Higher Education Commission that considers national and regional labour market and community requirements and negotiates compacts with universities based on meeting these requirements and the mission of the institution. Consideration needs to be given to the formation of a national body (possibly within the Commission structure) to foster partnership opportunities both public and private to assist universities in the development and delivery of their community engagement activities.

The basis of these compacts must be of a long-term nature but with a built-in mechanism to allow responsiveness to short-term movements in labour markets.

From an industry perspective, a move towards national professional accreditation schemes for all major professions is required to ensure equity, quality and efficiency.

33. Is the level of regulation in the sector appropriate? If not, why not, and what should be done to reduce the level of regulation?

The high demand of compliance with various Commonwealth, State and professional/industry requirements reduces the efficiency with which universities can operate. A move to a compacts system of funding, that involves consultation with all relevant stakeholders in the national and local labour markets, as well as community engagement partners, would be expected to reduce some of these arduous compliance requirements.

A feature of any regulation system, whether it is the previously suggested Higher Education Commission-style approach, must be a focus on the stability of the regulation regime. Successive compliance with rapidly evolving funding and regulatory schemes has left the sector with a sense of compliance overload and there have been efficiency decreases as a result.

34. Does Australia’s Quality Assurance Framework need revision? If so, why? What changes would you make?

The establishment and audit process of the Australian Universities Quality Agency (AUQA) has led to a renewed focus on quality in Australian higher education. ACU would suggest, however, that much of AUQA’s agenda is formed around the process of quality management and not necessarily on the outcomes of the process. A renewed focus on quality outcomes, through AUQA and through funding incentives, would be welcomed by ACU.

35. Is there more that could be done to improve university governance? How should this be done?

Australian universities’ internal governance mechanisms, for the most part, function effectively and efficiently. One possibility for the improvement in university governance could be the provision of standardized professional development opportunities for board members that focus on the specific requirements of university governance. The LH Martin Institute, for example, could be engaged to offer such programs.