



University of South Australia

Legislative Change in Australian higher education

Lucy Schulz

Academic Registrar



unisa

Outline of presentation

- Where I'm from?
- Access, Opportunity and Reform – the International Context
- Australian higher education – a history of reforms
- Recent reforms
 - ◆ Principles
 - ◆ Practice
 - ◆ Issues





Beijing

Seoul

Tokyo

Shanghai

Hong Kong

New Delhi

Bangkok

Manila

Singapore

Jakarta

Adelaide

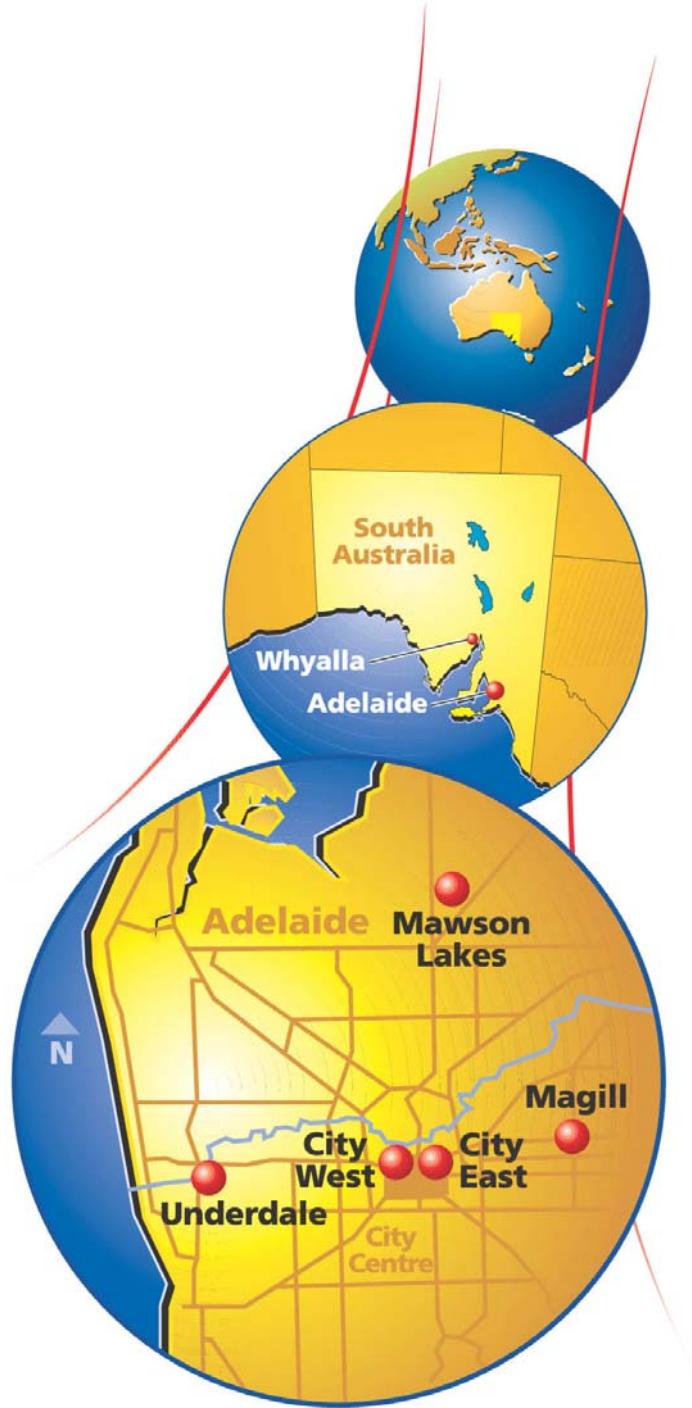
New Zealand





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business



Australia

South Australia

Adelaide



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Adelaide - Capital city of South Australia

- Host to the Adelaide Festival of Arts, Tour Down Under, Fringe Festival, Womadelaide
- A multicultural city with a population of over 1 million
- Adelaide is a clean and beautiful city, surrounded by parklands and complemented with clear blue skies and white sandy beaches



- Mediterranean climate - Average Temp:
15 ° – 35 ° c (59 ° – 104 ° f) summer
5 ° – 19 ° c (41 ° – 67 ° f) winter
- More restaurants per capita than any other Australian city
- Sophisticated, Relaxed, Cosmopolitan, Affordable, Quality Lifestyle



University of South Australia

- A history dating back to 1856
- The largest university in Adelaide and the fifth largest in Australia
- 5 campuses – over 30,000 students
- 10,000 international students
(on shore and transnational)
- Close working links with business, industry & the professions
- Programs that attract professional recognition
- Over 300 programs
- Graduate qualities
- South Australia's leading industry linked Research University



City West Campus

Four academic Divisions

- Business
- Education, Arts and Social Sciences
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City West Campus



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Services for International Students

Learning Connection



UNIVERSITY OF SOUTH AUSTRALIA

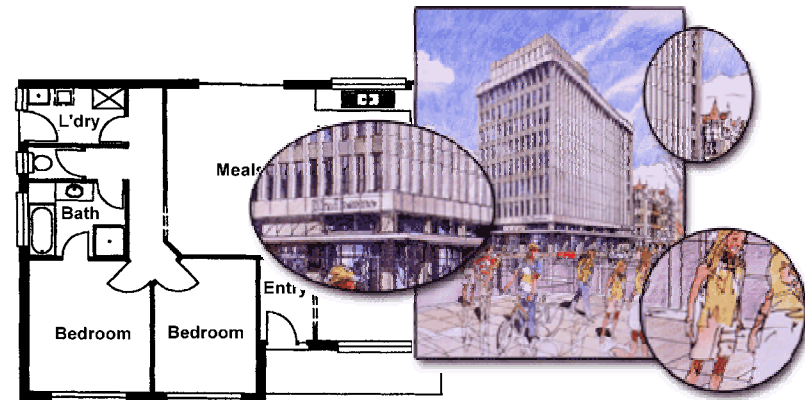
■ Learning Connection

- ◆ On arrival reception
- ◆ Accommodation
- ◆ International Student Orientation
- ◆ Work rights application
- ◆ Counselling services
- ◆ Career services
- ◆ Learning advice

<http://www.unisanet.unisa.edu.au/learningconnection/>

■ Accommodation

- ◆ Student apartments
- ◆ Residential colleges
- ◆ Private rental and share accommodation
- ◆ International student residences



<http://www.unisa.edu.au/accommodation/>

Cost of Living

- Adelaide is one of the most affordable capital cities in Australia.
- The following table estimates what a student can expect to pay in A\$

Basic Weekly Living Expenses	A\$
Rent (less if sharing)	\$60 - \$210*
Food	\$50 - \$60
Electricity	\$10
Gas (if applicable)	\$5
Transport	\$10 - \$15
Telephone/Postage	\$10 - \$15
Other (entertainment etc)	\$35
Weekly Estimate	\$180 - \$350
Total Yearly (52 wks) expenses	\$9360 - \$18200

World Wide Cost of Living Comparison†

Hong Kong	183
New York	159
London	159
Singapore	156
Beijing	147
Sydney	118
Melbourne	113
Perth	107
Brisbane	105
Adelaide	100



*Share flat/house \$60, Student Residence \$100, UniHouse \$160 (\$210 inc food)



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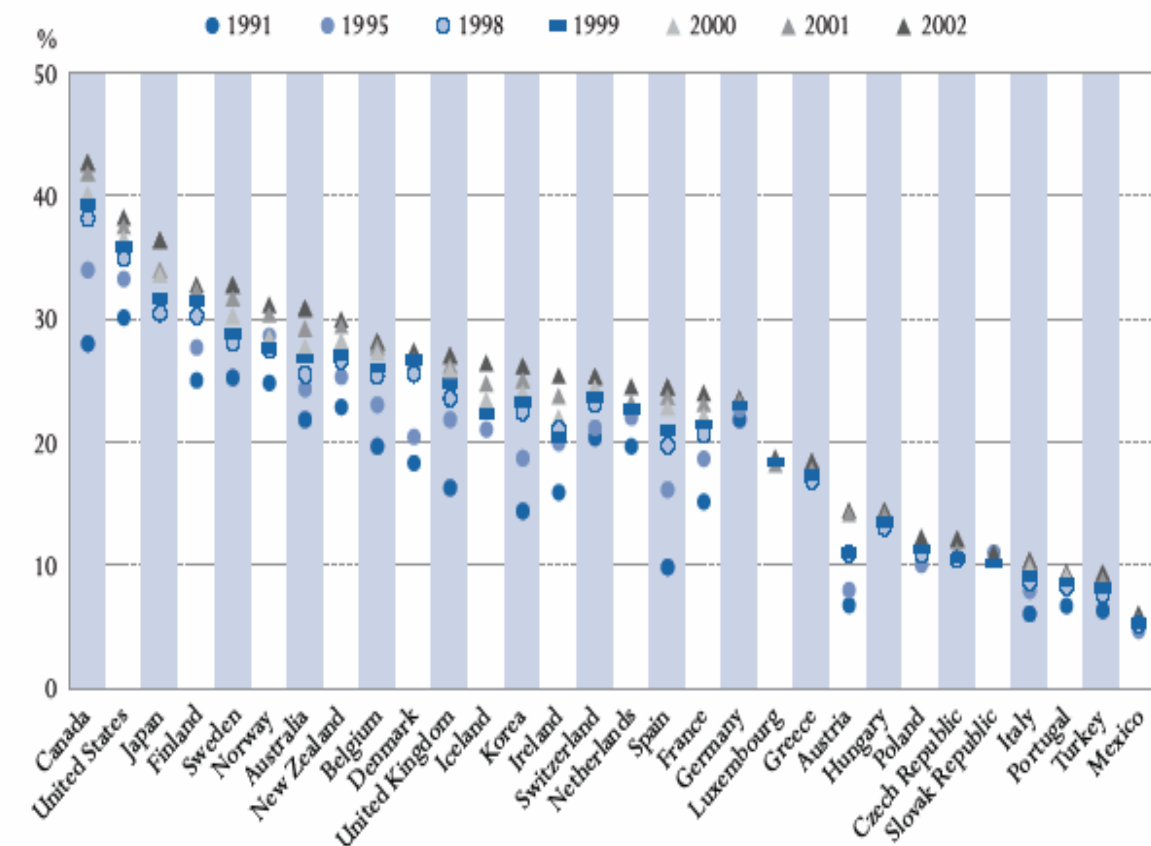
Access, Opportunity and Reform: The International Context



Higher Education Within Reach

Chart A3.4. Trends in educational attainment in tertiary education (1991-2002)

Percentage of 25 to 64-year-olds



Countries are ranked in descending order of educational attainment in tertiary education in 2002.

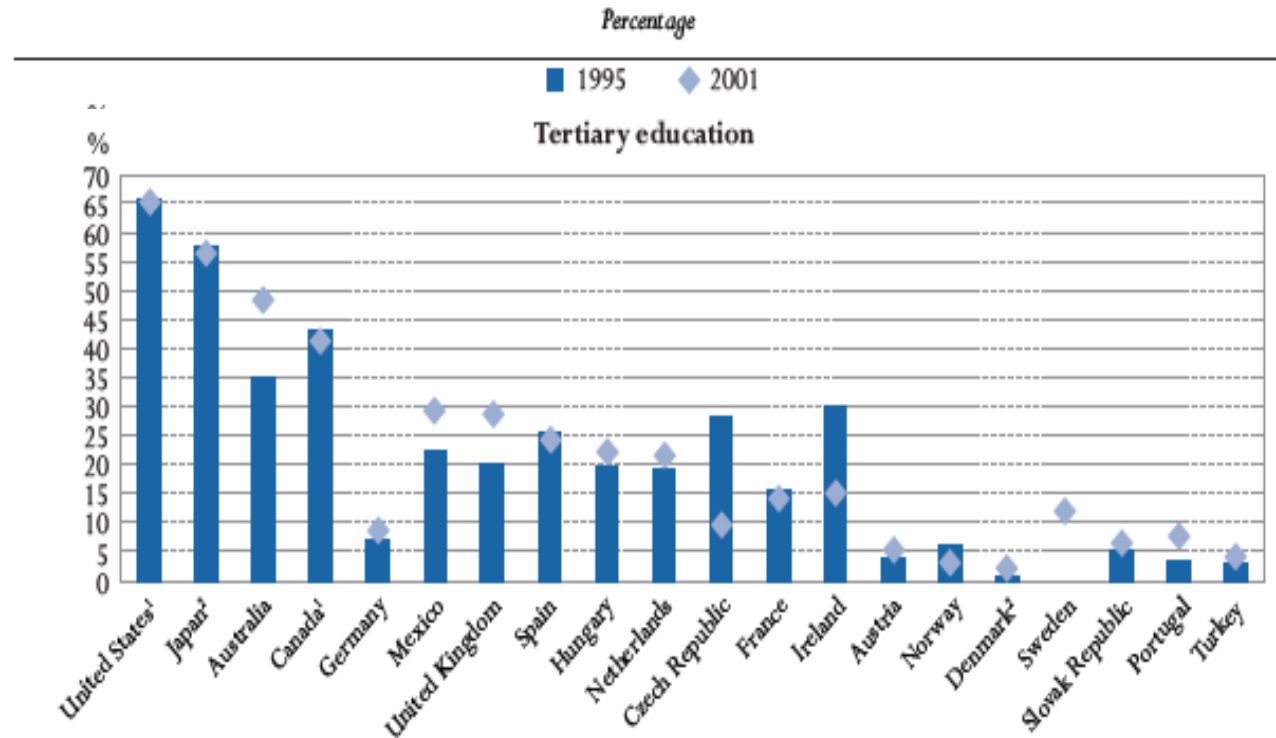
Source: OECD, Table A3.4a. See Annex 3 for notes (www.oecd.org/edu/eag2004).



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From Public to Private Funding

Chart B3.2. Share of private expenditure on educational institutions (1995, 2001)



1. Post-secondary non-tertiary included in tertiary education.

2. Post-secondary non-tertiary included in both upper secondary and tertiary education.

Countries are ranked in descending order of the share of private expenditure on educational institutions in 2001 for all levels of education.

Source: OECD. Tables B3.1, B3.2a and B3.2b. See Annex 3 for notes (www.oecd.org/edu/eag2004).



Higher Education

Online

News Editor: Al
817-272-3661

NEWS | NOVEMBER 19, 2003

Tuition and Fees
Regents approve tuition increases
 The increases will generate \$19 million over the next

By Brad Rollins
 The Shorthorn managing editor



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Reform and Private Funding

Losses threaten Cambridge's status

Tony Halpin

CAMBRIDGE University has issued a warning that an increase in tuition fees to £3000 (\$7300) a year will not be enough to safeguard its future.

Academics will be told that the university faces years of financial deficits that threaten its world-class status, and possible cuts in government funding.

Cambridge looks ready to follow Oxford by replacing British undergraduates with more foreign students, who pay fees of up to £20,500 a year. In an effort to get into the black, a working party on attracting international students will report shortly after Easter.

Regent House, Cambridge's 3000-strong governing body, was yesterday presented with annual accounts showing that the

Trouble: Cambridge plus



Oxford wants more fee-paying places

OXFORD University is planning to cut hundreds of places for British undergraduates and those for foreign students to stem a crisis that threatens its

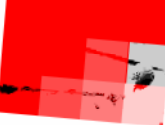
It admitted that it had lost out to Oxford

The proposals, set out in a strategy paper, will cut undergraduate numbers from just over 11,000 to about 10,000 within five years, the smallest total since 1992. More places will go to foreign students, who will pay the full cost of their degrees, and cheaper graduate students will be used to teach courses so that academics can concentrate on research.

Oxford will also mount a major recruitment campaign to raise the proportion of international students from 15 per cent of the total to 25 per cent within a decade. This will be a loss of British

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Top-up fees: the wrong battle to fight

Labour's reforms will make our universities both better and fairer

Tristram Hunt
Tuesday September 23, 2003
[The Guardian](#)

Tony Blair's forces of conservatism are mobilising. Out from the political undergrowth, an unreconstructed alliance of trade unions, Tories and the Labour left is uniting to derail the most significant and arguably most progressive legislation of New Labour's second term: higher education reform.

predicted national changes in the financial situation for UK universities are themselves sufficient to safeguard the university's medium-term future, it says. A working party led by Melvyn McKendrick, pro vice-chancellor for education, will report early next term on measures to boost recruitment of foreign students. The accounts show that Cambridge earned more in fees from foreign students than British and European students even though they represent only 17 per cent of its 17,360 undergraduates and postgraduates. Overseas students paid £24.6 million in fees last year. Home students paid £20.3 million. Oxford last week said that it planned to cut undergraduate numbers from 11,000 to 10,000 and to increase the proportion of foreign students from 8 per cent to 15 per cent. Cambridge has the same proportion of foreign undergraduates. A Cambridge spokeswoman said in a statement: "The university has set up a working party to look into the whole question of international student recruitment and support, and their findings will feed into what is to become a wider discussion of the future nature, size and balance of the university's student population."

Professor Richard said in her annual address in October that the quality of students' experiences at Cambridge could be damaged by an expansion in student numbers that the quality of education from the quality of undergraduate experience of postgraduate and from the quality of research. "Significant overall expansion in student numbers at this time risks detracting from the quality of undergraduate and from the quality of postgraduate and from the quality of research," she said.

The Times
Oxford fees grab - Page 29

... it's everywhere!





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Reform and Private Funding



The Economist February 26th 2005

Free degrees to fly

Already a big global business, higher education is poised for take-off. There used to be three near-certainties about higher education. It was supplied on a national basis, mostly to local students. It was government-regulated. And competition and profit were almost

pete for talent and money. That is breeding independence of government, both financially and psychologically; inexorably, the state's role is shrinking.

The two big trends, of internationalisation

the world. In Europe, for most of the 20th century, higher education was a public good, and in many countries it may have been a learning experience for people.

Loans push up full-fee enrolments

Samantha Maiden
Louise Perry

PRIVATE tertiary education providers have reported a surge in enrolments as students embrace the federal Government's new scheme for full-fee degrees.

About 27 private higher education providers have been approved under Howard Government's scheme and up to 87 per cent in first-year degrees have opted in the loans option.

Despite fears the new saddle graduates with a debt to one in three students, universities are also embracing the loans scheme, which towards the cost of a

A survey of more than 12 private education providers including Boronia College, the Australia and the Australia has found 60 per cent of students are taking

The Council of Australian Universities has collected information from FEE-HELP for

COPHE and McComb yesterday about which suggest FEE-HELP increases

"It's huge. I've got stories of Sudanese people who hadn't been to university before," he said.

"The FEE-HELP program is an important equity measure. It addresses the

Protection from market forces unfair

Education observed
Tim Dodd

There is a term for vested interests in a particular industry that press for government rules to lend them a helping hand in the competitive market, rather than relying on the virtues of their own product. They are "rent-seekers", businesses that penalise others by successfully pressuring authorities to regulate prices to their benefit or hinder their competitors in other ways.

students use in public institutions, FEE-HELP has

more than \$35,000. Under the scheme, students can seek assistance for a portion of their money

allied, red, ad-one, group, FEE-higher nts." students assistance, kesman, ons were s - from

Australia graduate stu- f a total of 11 postgraduate LP.

tion Minister e Government giving students p full-fee-paying at international oth private and FEE-HELP has



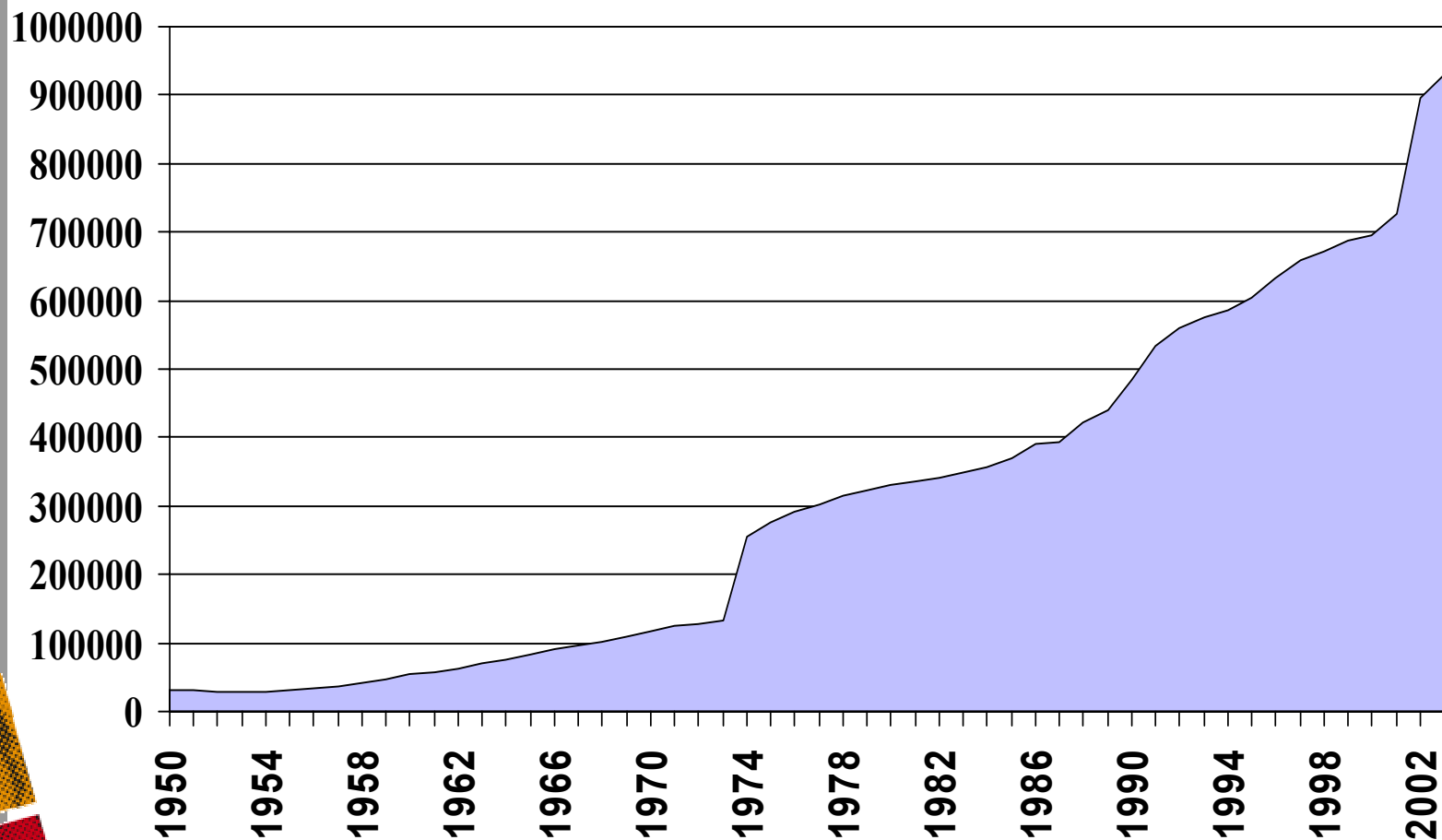


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Higher Education Reform in Australia: A Recent History



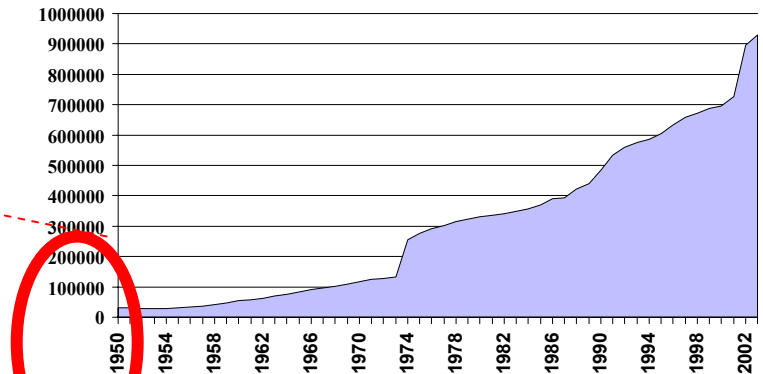
Growth in university student numbers: 1950 – 2003



*Source: DEST Higher Education Student
Statistics (incl. unpublished data)*



1900-1950



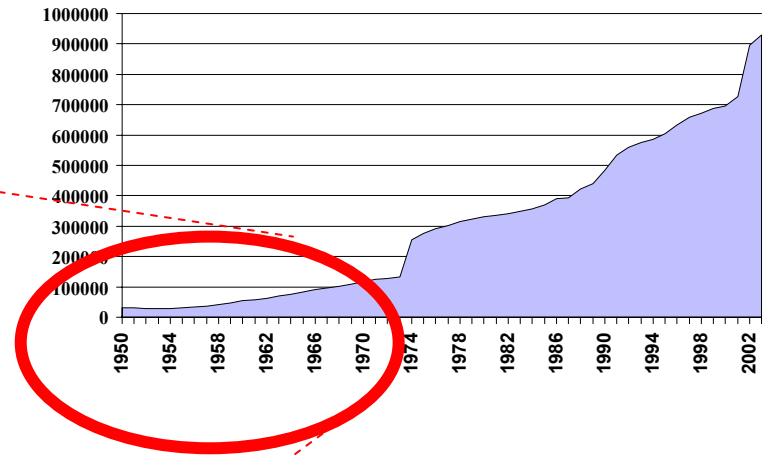
Pre-1950:

Higher Education
solely a responsibility
of the states

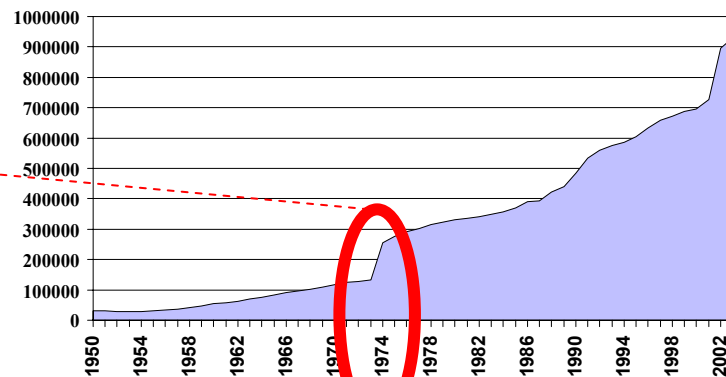
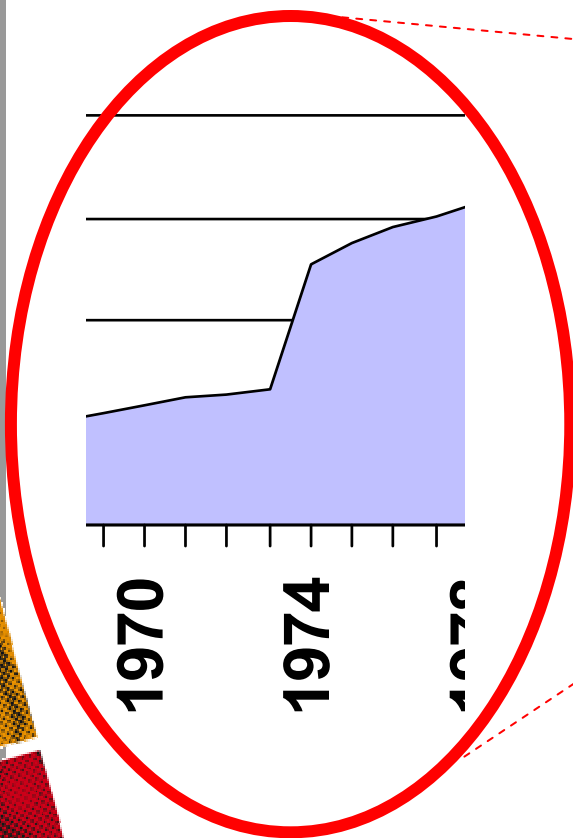


1950-1974

1950-1974:
Slowly increasing
contribution from
Federal Government



1974: Free Higher Education

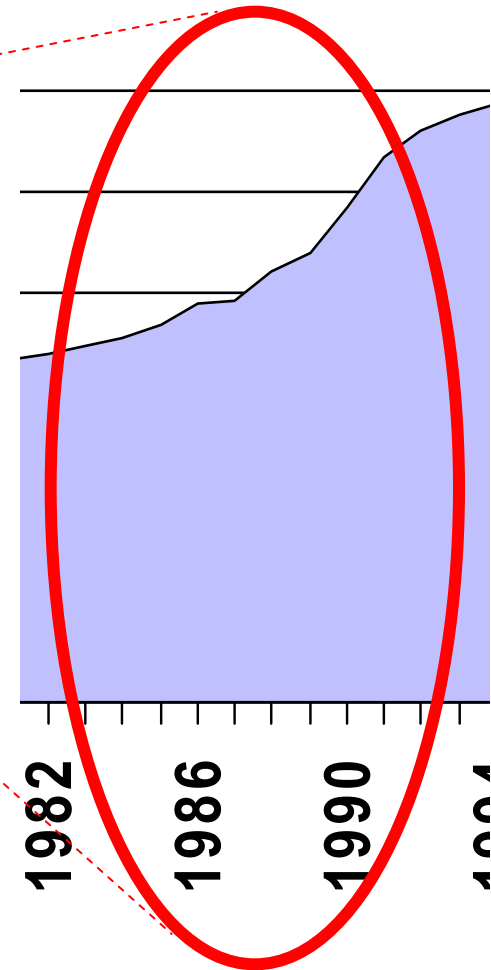
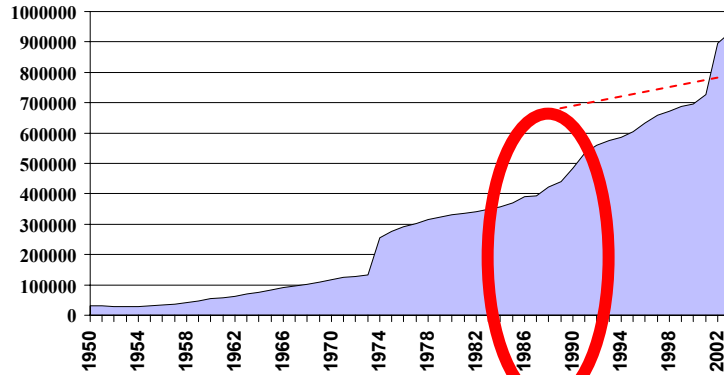


1974: Free Higher Education

- Gough Whitlam Prime Minister (Labour Government)
- Federal Government assumes all responsibility for funding Higher Education
- Tuition fees abolished – free for all who gain admission
- 1973-1975 – 52% increase in enrolments



1988-1991: the “Dawkins Reforms”





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1986-1991: the “Dawkins Reforms”

- John Dawkins Education Minister (Labor Government)
- Federal government funds universities directly – no longer by providing funds to the states
- Higher Education Funding Act 1988 imposes a number of conditions on University grant funding
- 1986 - \$250 Higher Education Administration Charge introduced – first fee requirement since introduction of free publicly funded higher education
- 1988 – HEAC replaced by creation of Higher Education Contribution Scheme (HECS) – Government block grants meet 80% of average course costs, students required to contribute the remaining 20%.



Higher Education Contribution Scheme

- Flat fee – \$2,250 per annum in 1992 for full-time study.
- This contribution could be deferred through income-contingent, interest-free government loan.
- Loan indexed to inflation (to maintain real value) and payed back through taxation system **only** once student's income exceeds certain level, repayments increase as income rises
- If income never reaches minimum level, no loan repayments are made

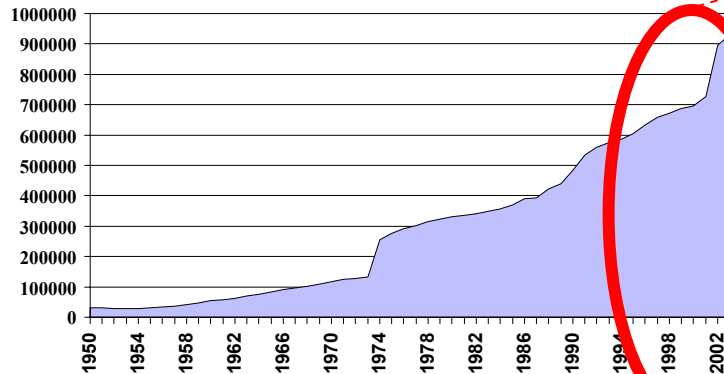


Other “Dawkins Reforms”

- Numerous “Colleges of Advanced Education” and Institutes of Technology amalgamated to form new technology universities
 - ◆ South Australian Institute of Technology and South Australian College of Advanced Education amalgamate to form **University of South Australia**
- International student enrolments move from foreign aid scholarship basis to commercial full tuition basis
- Full tuition fees (rather than HECS) introduced for domestic postgraduate coursework students
- Commonwealth funding of Universities no longer indexed to rising costs



1997-2002: Fragmentation



- 3-Band HECS
- Up to 25% 'over quota' undergraduate full tuition-fee paying places
- Postgraduate Education Loans Scheme
- Universities seek increased international student revenue



1997-2002: Fragmentation

- Standard, uniform HECS contribution system replaced with new three band “differential” HECS, with increased amounts
- New income contingent PELS loans scheme introduced to cover postgraduate coursework full tuition fees
- Universities permitted to enrol additional ‘over-quota’ undergraduate students on a tuition-fee paying basis
- Major push by Universities to increase numbers of full fee-paying overseas students

2 How much HECS do I pay?

2.1 How much do I pay?

If you commenced a new course of study after 1 January 1997, you are required to pay differential HECS contributions. The amount you pay is based on the individual units you study, not on your overall course. Units of study are divided into three bands and the amount you pay for each unit depends on the band and the weight of the unit within a course.

In 2003, the full-time full year contributions for each band are:

Band 1 \$3 680

Band 2 \$5 242

Band 3 \$6 136

Arts, Humanities, Social Studies/Behavioural Sciences, Education, Visual/Performing Arts, Nursing, Justice and Legal Studies

Mathematics, Computing, other Health Sciences, Agriculture/Renewable Resources, Built Environment/Architecture, Sciences, Engineering/Processing, Administration, Business and Economics

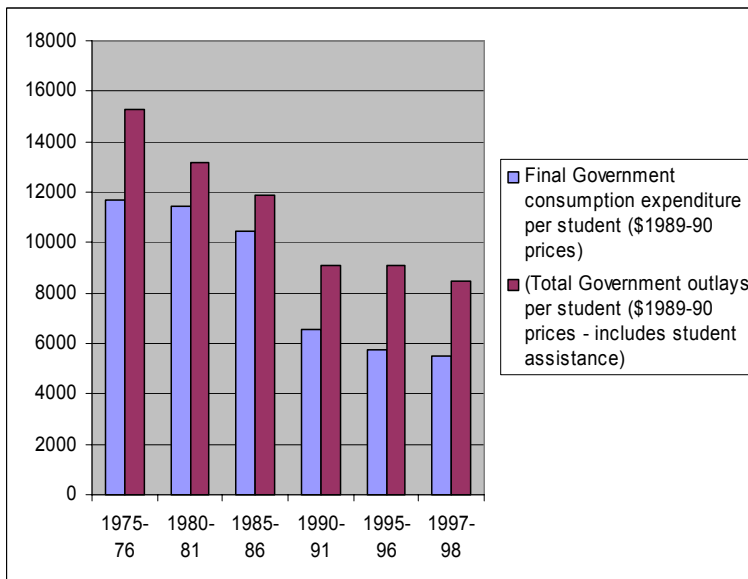
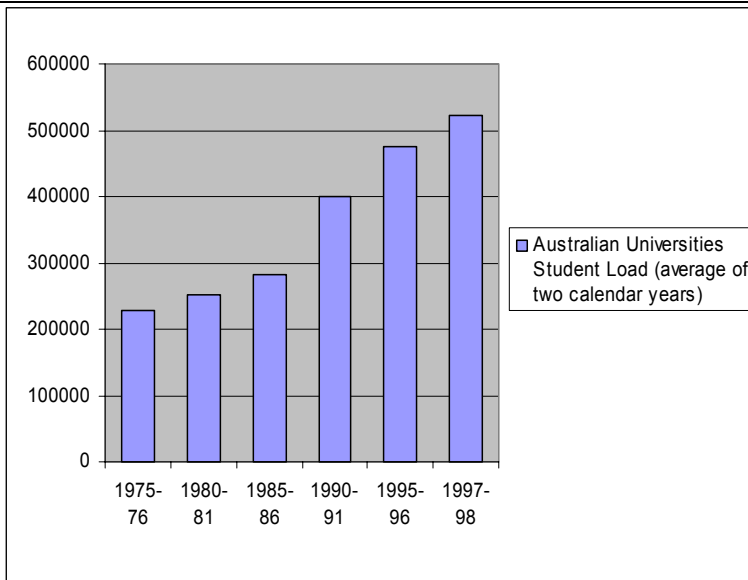
Law, Medicine, Medical Science, Dentistry, Dental Services and Veterinary Science

Example

Heather commences a Bachelor of Economics in 2003. In first year, eight units of equal weighting comprise a standard full-time load. Heather enrolls in five economics units and three arts units. Her HECS liability for 2003 would be calculated as follows:

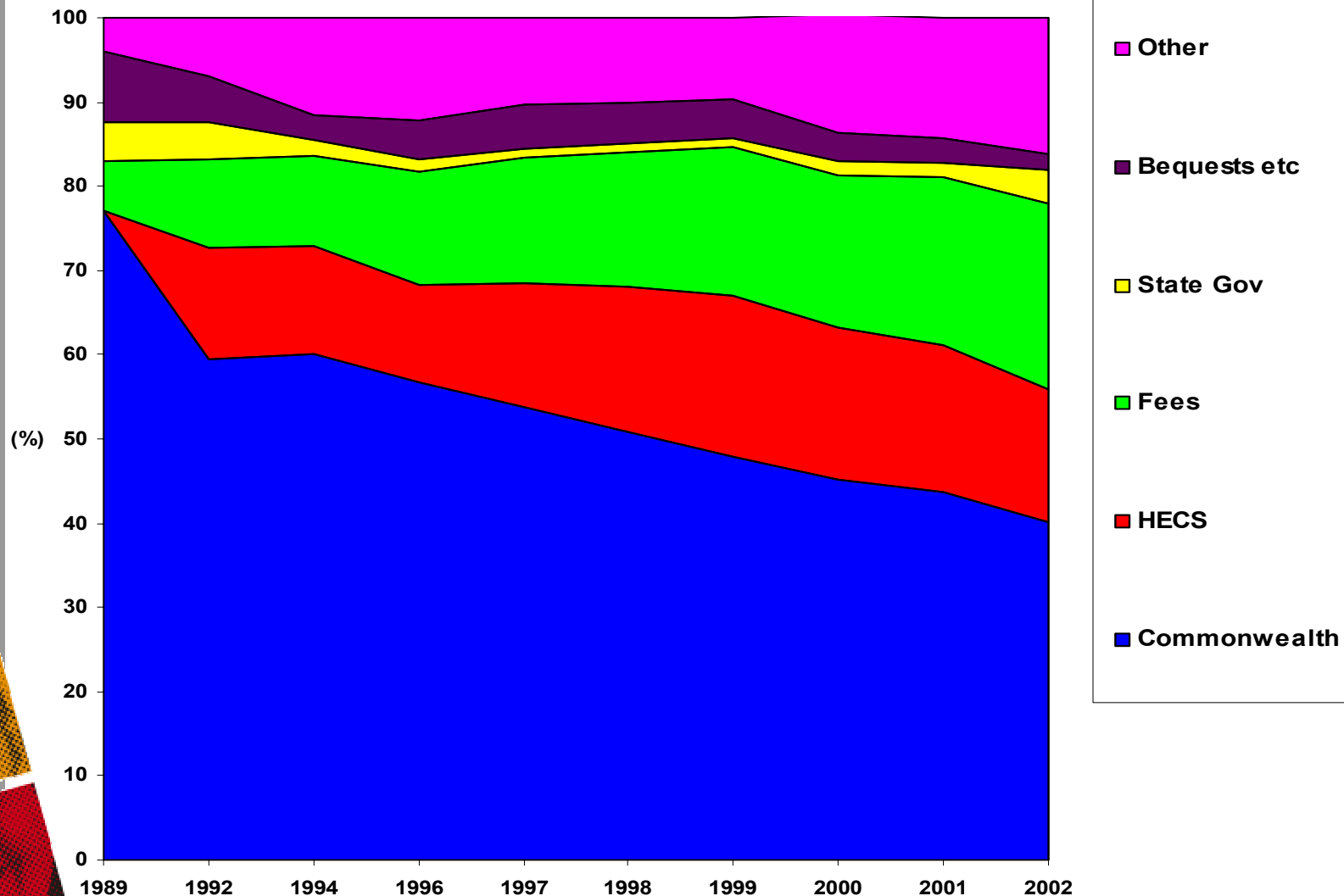
$$[5/8 \times \$5\,242 \text{ (Band 2)} + 3/8 \times \$3\,680 \text{ (Band 1)}] = \$4\,656$$

Student Load and Government Funding



Source: Adapted from Marginson, S. 2001

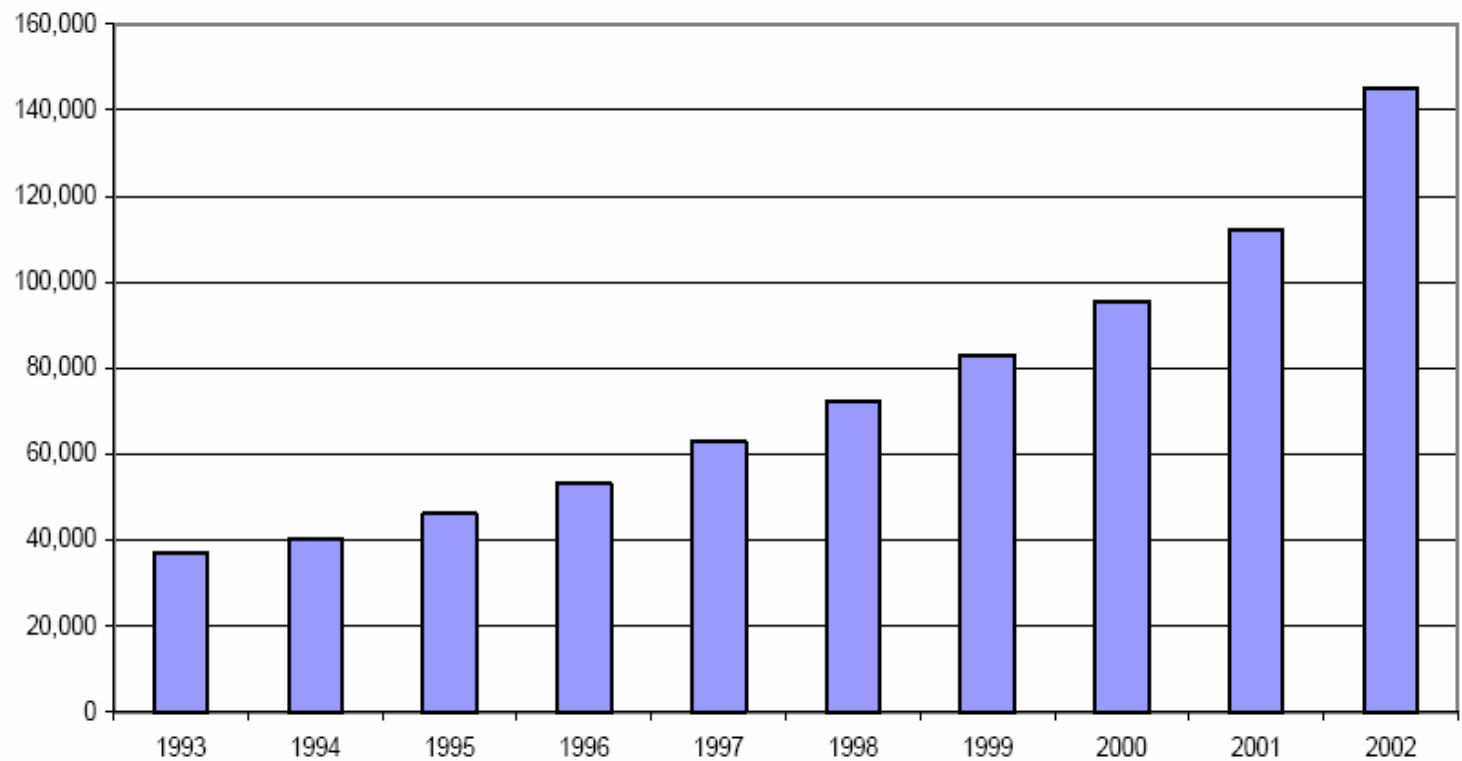
Changing funding sources (%) (1989 – 2002)



Source: DEST Selected Higher Education Statistics

International Student Enrolments

FIGURE 2: INTERNATIONAL STUDENTS ENROLLED AT AUSTRALIAN UNIVERSITIES, 1993-2002



Source: DEST, *Selected Higher Education Student Statistics*.

International Student Enrolments



Economist.com **WORLD EUROPE**
 Sunday March 13th 2005

Universities
Can foreigners prop them up?
 Jan 13th 2005
 From The Economist print edition

British universities rely increasingly on foreigners to supplement government-capped fees. Not for long, they can't

[Get article background](#)

FOREIGN students keep British universities from crumbling. Some 9% of students come from outside the European Union (EU). Their numbers rose by a quarter last year.

There are good academic reasons for wanting foreign students, but the main motivation is mercenary. Foreign students subsidise the loss-making teaching of home students (and of the EU ones, who pay domestic rates). They pay £8,000 (\$15,000) a year, compared with the £5,000-odd in fees and subsidies that universities get for an average home student. Ivor Crewe of Universities UK, a lobby group, calls them "essential". The state-funded culture-promoters at the British Council say they are "crucial". Sir Howard Davies, director of the London School of Economics (LSE), terms them "integral".

The LSE balances the books on undergraduate teaching by having one foreigner for every...

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Destabilisation and Market Reform

“...The essence of Australian government strategy in higher education, under both sides of politics, has been the rolling reform method devised by the Thatcher government: destabilising the existing publicly funded system; introducing bits of the market at a time; imposing Hayekian principles piecemeal on an unwilling university sector and creating the conditions for further reforms; while ensuring that no reversion or reversal, and no other line of policy development, can come onto the agenda...”

Marginson, S.2004. 'They Make a Desolation and They Call it F.A. Hayek – Australian Universities on the Brink of the Nelson Reform, Australian Book Review April 2004, p31.



1997-98 – the “West Review”

- Review of Higher Education conducted by former school principal Roderick West
- Final Report, April 1998 – *Learning for Life*
- Recommendations:
 - ◆ ‘Level playing field’ for public and private providers
 - Same taxes and charges for public and private providers
 - Imposition of capital charges on public universities
 - ◆ ‘Student Centred’ funding framework – voucher system
 - Lifelong (limited) learning entitlement to Commonwealth support in undertaking higher education, to be used toward covering costs of tuition – available for education at both public and private providers
 - Totally deregulated tuition
 - Income contingent loans scheme available to both private and public providers
 - ◆ Four-step process to implement student-centred funding...



Four Steps to Deregulation

- *Stage 1:*
 - continue to fund institutions for a maximum number of student places;
 - allow institutions to set fees for all students, subject to an upper limit on fee levels for students receiving Commonwealth tuition funding;
 - provide all students, including those attending approved private institutions, with access to a loan, with repayment contingent on future income; and
 - strengthen consumer protection arrangements in the higher education system.
- *Stage 2:*
 - build on Stage 1 by extending access to Commonwealth tuition funding to students attending private universities; and
 - within a system-wide ceiling on Commonwealth funding, allow Commonwealth funding to be redirected between institutions in response to movements in shares of enrolments.
- *Stage 3:*
 - build on Stage 2 by allocating Commonwealth tuition funding to institutions solely on the basis of student choice; and
 - allow private providers to access public funds on equal terms with public providers.
- *Stage 4:*
 - provide an entitlement to Commonwealth tuition funding for all school leavers and mature age students who are seeking access to postsecondary education and training for the first time;
 - funding arrangements to cover all approved courses in the postsecondary education and training system; and
 - provide all students with access to a loan, with repayment contingent on future income, to assist them to meet the costs of any studies or services leading to a postsecondary award from an approved private or public postsecondary education provider.



Government Response to the West Report

- October 1999 – Education Minister David Kemp tests public opinion through releasing proposal for complete deregulation, including:
 - ◆ Vouchers
 - ◆ uncapped tuition
 - ◆ income contingent loans scheme attracting commercial interest rates
- Widespread public concern, newspaper headlines touting \$150,000 degrees
- Cabinet commits to:
 - ◆ No deregulation of fees
 - ◆ No introduction of vouchers
 - ◆ Current HECS system to remain
 - ◆ No additional loans scheme, no real interest for HECS
 - ◆ Current system of government grants to remain





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2000-2003 Debate on 'Funding Crisis'

- Increasing number of Universities demonstrate deteriorating financial positions
- Increasing amount of debate accepts that neither side of politics will provide adequate public funding for a high quality higher education system:
 - ◆ Commitment to fiscal responsibility
 - ◆ Expenditure pressures on health, education and welfare exceed GDP growth
 - ◆ Primary and secondary schooling, public health, and redistributive spending higher priorities than tertiary education
- Increasing discussion of case for 'top-up fees' – partial deregulation of the HECS system, to allow Universities to set fees/contributions within capped limits



A Common International Context



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Colorado set to try college vouchers

Public universities to lose students, money, critics say

By Chryss Cada, Globe Correspondent | June 13, 2004

DENVER -- Higher-education institutions across the nation are closing their doors. In Colorado, a program that will fund universities and colleges through...

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"Since higher education is a discretionary item, it is hitting it hard during these tough fiscal years. Education-policy associate for the National Education Policy Center, David Colquhoun, says, "All eyes are on Colorado. Voucher systems, which began as a means to help low-income students, have never been tried at the college level."

UNIVERSITY of HOUSTON
DallasNews.com
The Dallas Morning News

Friday, January 10, 2003

Universities want to set their own tuition

Opponents fear huge cost jump if Legislature gives up rate-setting

...Benton

Believe there are plenty of parents who could afford to write bigger tuition checks every year. But if the Legislature gives up its traditional power to set tuition rates for public universities, they want the power to tap into that wealth.

Education officials are asking the Legislature to give up its traditional power to set tuition rates for public universities. They want university system leaders to be able to set their own rates. Opponents fear will lead to big jumps in what students pay.

"To deregulate tuition, I'd be hard pressed to explain to anyone how public universities would survive," said Sen. Steve Ogden, R-Bryan.

Guardian Unlimited

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Top-up fees: the wrong battle to fight

Labour's reforms will make our universities both better and fairer

Tristram Hunt
 Tuesday September 23, 2003
[The Guardian](#)

Tony Blair's forces of conservatism are mobilising. Out from the political undergrowth, an unreconstructed alliance of trade unions, Tories and the Labour left is uniting to derail the most significant and arguably most progressive legislation of New Labour's second term: higher education reform.

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2000-2003 Debate on 'Funding Crisis'

- Increasing discussion of case for 'top-up fees' – partial deregulation of the HECS system, to allow Universities to set fees/contributions within capped limits
- New education minister Brendon Nelson announces "Crossroads Review", setting out challenges faced by sector, and calling for submissions
- Response to Crossroads Review: Policy Paper, *Backing Australia's Future*



A mid term joke...

Q: Why did the chicken cross the road?

A: Deregulating of the chicken's side of the road was threatening its dominant market position

(From 101 funny jokes at

<http://yoyo.cc.monash.edu.au/~jonno/joke16.htm>)





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Backing Australia's Future
Higher Education Reforms
2003 - 2005



Reform Principles

- Sustainability
- Quality
- Equity
- Diversity



Public Investment Framework

- Annual funding agreements
- Limited fee deregulation
- New places (9100 in 2005)
- Regional loading
- Increased equity funding
- Performance-based funding





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Deregulating the student contribution

- Students who are Commonwealth supported are also required to make a contribution towards the cost of their education
- The amount of student contribution is set by Higher Education Providers (HEPs) within a range set by the Govt. and according to the band of study
- Hence, limited deregulation of HECS system

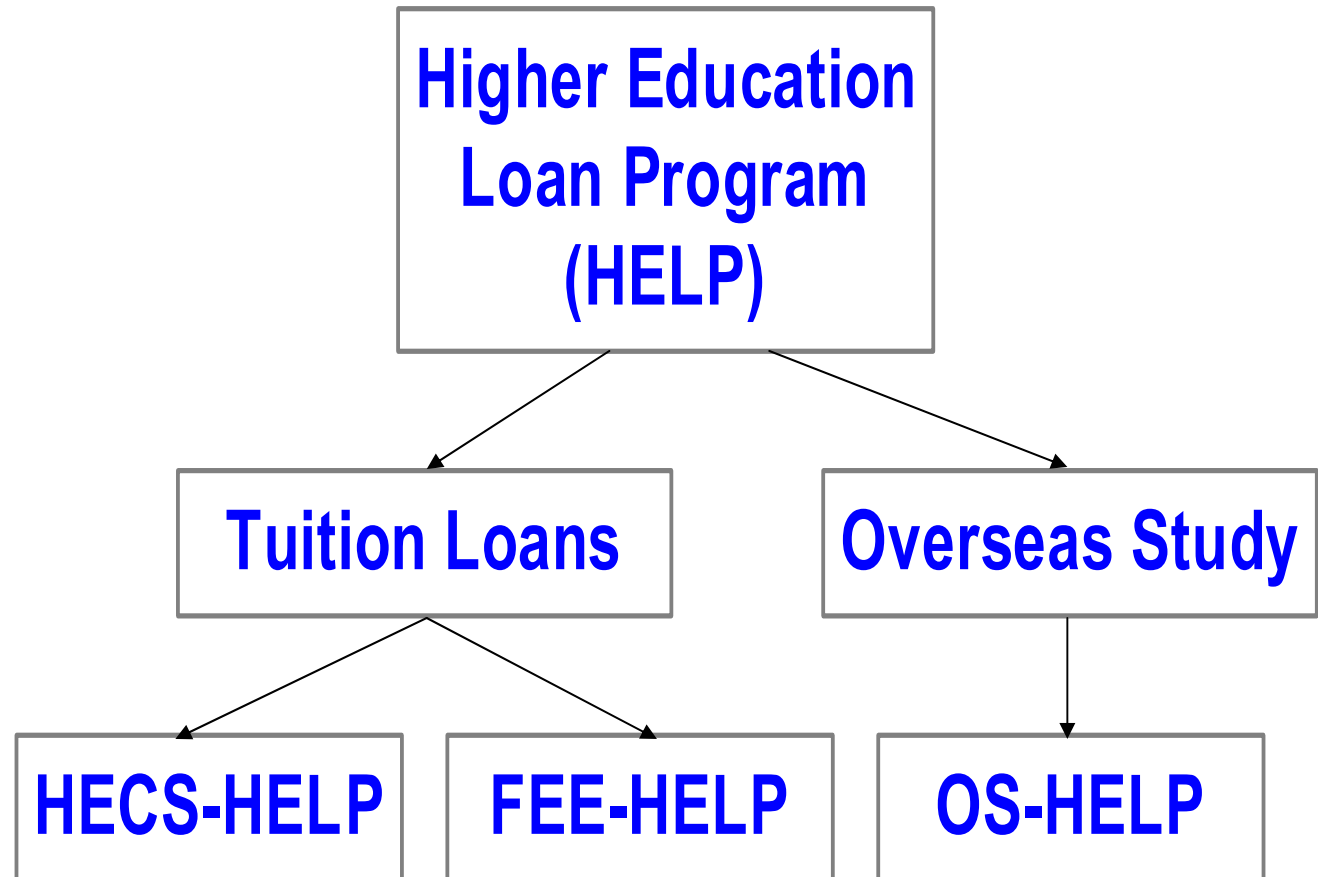


Income Contingent Loans

- New system of income contingent loans replaces HECS/PELS
- HECS-HELP allows students to defer new (partially deregulated) student contributions
- FEE-HELP allows students to defer full tuition fee cost for any course, undergraduate or postgraduate
- FEE-HELP also available to approved private providers*



Commonwealth Assistance



Student contributions – bands and amounts

2 How much HECS do I pay?

2.1 How much do I pay?

If you commenced a new course of study after 1 January you are required to pay differential HECS contributions. The pay is based on the individual units you study, not on the course. Units of study are divided into three bands and the amount you pay for each unit depends on the band and the number of units within a course.

In 2003, the full-time full year contributions for each band are:

Band 1 \$3 680

Band 2 \$5 242

Band 3 \$6 136

Arts, Humanities, Social Sciences, Education, Nursing, Justice and

Mathematics, Computer Sciences, Agriculture, Built Environment, Engineering/Professional Business and

Law, Medicine, Dental Services

Example

Heather commences a Bachelor's degree in 2003, eight units of equal weight per year. Heather enrolls in five units of Band 2 and three units of Band 3. Her HECS liability for 2003 is:

$$[5/8 \times \$5 242 (\text{Band 2}) + 3/8 \times \$6 136 (\text{Band 3})]$$

HECS payments are calculated on your study load. If you are studying more or less than a full-time study load you will be charged a proportionate HECS contribution. **You need to contact your institution for the exact amount of your HECS contribution.**

Table 2 – Student contribution bands and ranges for 2005

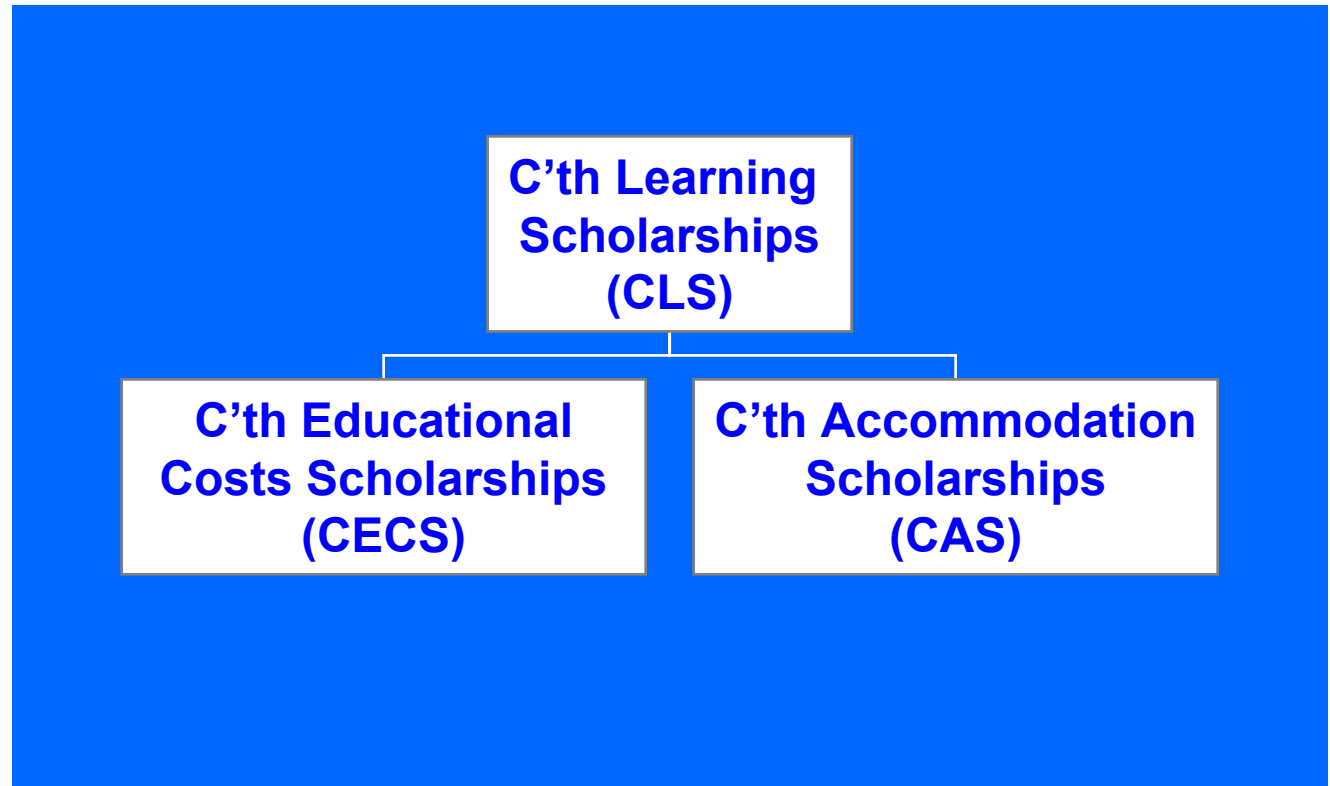
Student contribution band	Student contribution range (post-2005 students)	Student contribution range (pre-2005 HECS students)
Band 3 (law, dentistry, medicine, veterinary science)	\$0 – \$8,018	\$0 – \$6,414
Band 2 (accounting, administration, economics, commerce, mathematics, statistics, computing, built environment, health, engineering, science, surveying, agriculture)	\$0 – \$6,849	\$0 – \$5,479
Band 1 (humanities, behavioural science, social studies, foreign languages, visual and performing arts)	\$0 – \$4,808	\$0 – \$3,847
National priorities (education, nursing)	\$0 – \$3,847	\$0 – \$3,847

Limited Lifelong Learning Entitlement

- SLE – Student Learning Entitlement
- 7 years of Commonwealth supported study
- Decreases with each year of Commonwealth supported study
- After age of 27, increases by one year each calendar year
- Additional concepts to make this work:
 - CHESSN – Unique Student ID Number
 - HEIMS – Higher Education Information Management System



Commonwealth Assistance



A bit about the challenges ...

- Business process changes
- Policy amendments
- Quota management
- Multiplicity of fee structures
- Changes to residency definitions
- Public scrutiny and market perceptions

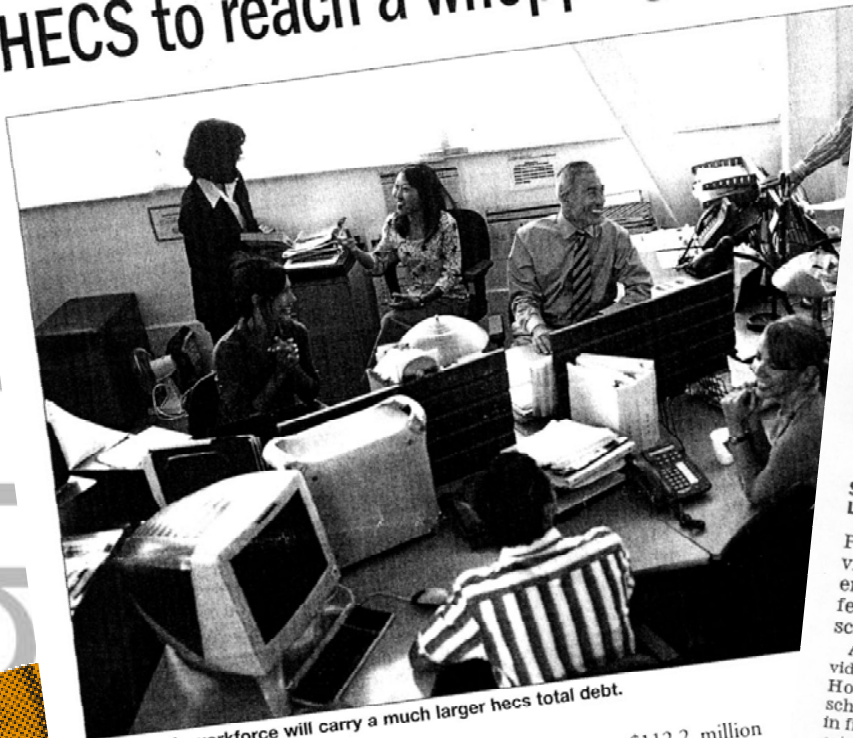




UniSA

Access and Equity Issues

HECS to reach a whopping \$840 million



Tomorrow's workforce will carry a much larger hecs total debt.

HECS | GUY HEALY

AUSTRALIAN university students will pay at least an additional \$840 million in tuition fees for government-supported university places under the Howard Government's decision to partially deregulate HECS fees and allow universities to charge premiums up to 25 per cent, latest of Education, Science

reveal that an extra \$112.2 million will come from commencing students this year, representing 37 per cent of effective fulltime student load (EFSL) for those 28 institutions that had applied HECS premiums.

In 2006, the capture rate for the HECS increases will rise to 54 per cent of EFSL and an extra \$178 million, across the university system assuming no further universities choose to apply HECS increases.

By 2007, the capture rate for

PRIVATE tertiary education providers have reported a surge in enrolments as students embrace the federal Government's new loans scheme for full-fee degrees.

About 27 private higher education providers have been approved to use the Howard Government's FEE-HELP in first-year degrees have expressed interest in the loans option.

Despite fears the new scheme would saddle graduates with a lifetime of debt, up to one in three students at publicly funded universities are also embracing the new loans scheme, which pays up to \$50,000 towards the cost of a full-fee degree.

A survey of more than 7000 students attending 12 private colleges and universities—including Bond University, Avondale College, the Australian College of Theology and the Australian Institute of Music—has found 60 per cent to 87 per cent of families out

said.

Loans push up full-fee enrolments

Samantha Maiden
Louise Perry

are earning more than \$35,000. Under FEE-HELP, students can seek assistance for the whole tuition fee or a portion if they can find the rest of the money to undergraduate loans.

University of Queensland's planning director Lindsay Parker said preliminary figures suggested one-third of undergraduates wanted a FEE-HELP loan.

"UQ has 223 undergraduate full-fee-paying domestic students registered out of a total of 22,976 domestic undergraduates enrolling for semester one," she said.

"Within the undergraduate full-fee group, about one-third are showing as FEE-HELP with the majority of these commencing students.

"We also have 3536 postgraduate full-fee-paying domestic students registered out of a total of 6792 domestic postgraduate students enrolling for semester one. Within the postgraduate full-fee group, about 45 per cent are showing as FEE-HELP overall, with only a slightly higher percentage for commencing students."

Over regulation?

- Load targets
- Reporting and publication requirements
- “Going to Uni” national website
- State Government audits
- Australian University Quality Agency



Over regulation?

Nelson wants a say in course cuts

Dorothy Illing

FEDERAL Education Minister Brendan Nelson has signalled he wants to have a say in what courses are closed.

He has said that the government will not be taking over what is currently a state responsibility.

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chancellors citing "growing community concern" about these. "I will be including an additional condition of grant in funding agreements that will specify that closures of specialist courses must be negotiated and agreed with the commonwealth," he said. "The most intrusive from a funding perspective is the commonwealth education source described with the commonwealth."

ard Sutton said he agreed with Dr Nelson's intention — if he gave extra funding to sustain those courses. "The issue as to whether or not a university can continue a course depends on the appropriate number of students and the funding level associated with it," Professor Sutton said. "So if as part of the negotiations... he's suggesting that for those courses special funding would be made available to those universities to keep those courses going, that's within the current framework of these courses."



Control: Dr Nelson

"extremely bureaucratic intervention". "With about 6000 courses UQ is regularly introducing new courses and closing others," Professor Hay said. "Closing a course was a decision made lightly. Further, a range of factors such as teaching capacity, research opportunities, and the taken into account when considering such a move, he said. In a separate letter to AVCC president and vice-chancellor of Macquarie University Dr Yerbury, Dr Nelson has taken the unusual step of admonishing the peak lobby.

At issue were comments made by the committee's chief executive John Mullarvey on ABC Radio just before Christmas. Mr Mullarvey was being interviewed about the federal Government's plans to transfer the remaining state control of universities to the commonwealth after the completion of a paper flagging options for

enclosed and reassure me of the intellectual integrity of a number of statements that are made."

Among the statements that irritated Dr Nelson was Mr Mullarvey's assertion that the only way to make it easier for students to get into university was to have more Government-funded places. "That's not something that the Government has put on the table."

"I may be missing something," Dr Nelson's letter said, "but have we not just announced the funding of 36,000 HECS places over the next four years while placing the historical threshold for full-crossing an income contingent loan for full-eligible Australians in the eligible

Reforms 'lack direction'

Bill Pheasant

The federal Education Minister's plan to take over the states' responsibility for university governance requires more direction and leadership if it is to succeed, according to Melbourne University's new vice-chancellor, Glyn Davis.

"If Brendan Nelson can articulate what he wants to do with the authority he is seeking, he will be in a stronger position to argue the case," Professor Davis said.

But he argued that the commonwealth case for regulatory control of education was not the minister's record on the red tape on the

"The notion that rationality requires that concentrated in one government isn't a state the notion that there regulations on universities be resolved by this is either. There are one regulations, and they

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North Court

"If Brendan Nelson can articulate what he wants to do with the authority he is seeking, he will be in a stronger position to argue the case," Professor Davis said. But he argued that the commonwealth case for taking full regulatory control of higher education was not strong because of the minister's record of imposing onerous red tape on universities.

VCs take on Nelson over data

Samantha Maiden

EDUCATION Minister Brendan Nelson has accused universities of trying to stonewall his attempts to investigate the effects of HECS fee increases on student demand.

In a scathing attack on the Australian Vice-Chancellors Committee, Dr Nelson has described a decision to instruct University Admission Centres not to provide the information to the Department of Education, Science and Training as "curious and unhelpful".

Dr Nelson has also flagged plans to seek more information on all student applications by main field of study, in a move university officials fear is designed to scrutinise subject offerings and to influence funding agreements.

At present the university-owned admission centres release only limited information publicly about demand for places in each state and they rarely provide information about demand for individual universities or degrees.

In a letter obtained by the HES, Dr Nelson complains to AVCC president Dr Yerbury about the behaviour of the AVCC secretariat, describing the withholding of information from DEST as "irresponsible".

"I find this position curious and unhelpful," he says.

"Recent reforms to Australia's higher education sector have led to changed conditions for... universities and prospective students. It is important that the Australian Government, as the key funding source for higher education, monitor possible changes in student and institutional behaviour. I believe any

the changes do not significantly discourage potential applicants. One major concern is that the data would also inevitably be used by DEST to analyse each university's pattern of demand and offers, feeding back into future funding agreement discussions and potential political statements by the minister in response to continued complaints from the Opposition parties."

The AVCC board has agreed to commission a statement providing a breakdown of the levels of autonomy and red-tape requirements before and after the introduction of the Nelson reforms, arguing that the legislation to partially deregulate fees has coincided with new government intrusions into university affairs.

AVCC executive director John Mullarvey yesterday refused to comment on Dr Nelson's correspondence but said university concerns related only to the administrative requirements of providing extra information on student demand.

"We vet all requests for information because that has an impact on the resourcing of universities. It costs money to deliver these data needs," he said.



Brendan Nelson



Dr Yerbury

"We recognise the Government has a

Destabilisation and Market Reform

“...The essence of Australian government strategy in higher education, under both sides of politics, has been the rolling reform method devised by the Thatcher government: destabilising the existing publicly funded system; introducing bits of the market at a time; imposing Hayekian principles piecemeal on an unwilling university sector and creating the conditions for further reforms; while ensuring that no reversion or reversal, and no other line of policy development, can come onto the agenda...”

Marginson, S. 2004, p31.



Stage 1 of the West Review?

across the higher education and vocational education and training (VET) sectors be standardised. In summary, the stages are as follows:

- *Stage 1:*

- continue to fund institutions for a maximum number of student places;
- ✓ - allow institutions to set fees for all students, subject to an upper limit on fee levels for students receiving Commonwealth tuition funding;
- provide all students, including those attending approved private institutions, with access to a loan, with repayment contingent on future income; and
- strengthen consumer protection arrangements in the higher education system.

- *Stage 2:*

- build on Stage 1 by extending access to Commonwealth tuition funding to students attending private universities; and
- ? - within a system-wide ceiling on Commonwealth funding, allow Commonwealth funding to be redirected between institutions in response to movements in shares of enrolments.

- *Stage 3:*

- ? - build on Stage 2 by allocating Commonwealth tuition funding to institutions solely on the basis of student choice; and
- allow private providers to access public funds on equal terms with public providers.

- *Stage 4:*

- ✓ - provide an entitlement to Commonwealth tuition funding for all school leavers and mature age students who are seeking access to postsecondary education and training for the first time;
- ? - funding arrangements to cover all approved courses in the postsecondary education and training system; and
- provide all students with access to a loan, with repayment contingent on future income, to assist them to meet the costs of any studies or services leading to a postsecondary award from an approved private or public postsecondary education provider.

These stages progressively increase the role of student choice in allocating government funding. Under all stages universities will be able to set fees for all students (initially subject to an upper limit on fee levels for students receiving



Stage 1 of the West Review?

STAGE 1: CONTINUE TO FUND ON NEGOTIATED TARGETS, ALLOW INSTITUTIONS TO SET FEES, PROVIDE SOME SUPPORT FOR PRIVATE PROVIDERS AND STRENGTHEN CONSUMER PROTECTION ARRANGEMENTS IN THE HIGHER EDUCATION SYSTEM.

Institutions are free to set tuition fees for all students (initially to an upper limit set by the Commonwealth for students receiving Commonwealth tuition funding) and to admit full fee paying local students who are not allocated a subsidised place.

Higher education institutions continue to receive funding for tuition based on a number of student places agreed in negotiations with the Commonwealth. Where an institution enrolls fewer (or more) equivalent full-time students than the agreed number, the Commonwealth reduces (or increases) the amount of funding provided to the institution, but at a proportion of the equivalent full-time student rate (similar to arrangements which currently apply to undergraduate HECS liable students).

Loans, with repayment contingent on future income, are available to all higher education students, and allow:

- *students at public universities to defer payment of any tuition fees set by institutions over and above the amount of funding provided by the Commonwealth;*
- *students enrolled in approved courses at approved private universities or degree granting institutions to defer payment of all of their tuition fees; and*
- *Australian students who are admitted to public universities to places over and above the number of places for which the universities have been publicly funded to defer the payment of all of their tuition fees.*

To access public tuition funding, a student must enrol at a public university.

Equity funding, based on submissions and/or performance, is provided through targeted grants to institutions.

The higher education and Vocational Education and Training sectors remain separately funded and administered.

Credit transfer and articulation arrangements across the higher education and VET sectors are enhanced.

All universities in receipt of public funding (or whose students can claim an income-contingent loan) are required to make publicly available a specified minimum set of information items in a format that is comparable across institutions.

Independent complaints procedures are in place to ensure that students are able to gain redress should providers not satisfactorily deliver studies or services to them. The Commonwealth is empowered to withdraw access to public funds if consistent failure to deliver is demonstrated.





UniSA

2005 Onward – A Second Wave of Reforms?



Nelson Reforms – the Second Wave

- Bringing Universities under Commonwealth control?
- Industrial Relations reforms
- Voluntary Student Unionism
- ‘Diversity’, the National Protocols, and overseas providers



Federalisation of Universities?



Workplace Relations and Student Unions

Tertiary groups geared for tough year

Government control of the Senate has students, unions, universities and academics worried about mooted changes, writes Brendan O'Keefe

THE year in higher education is shaping up as a one-sided stoush. In the blue corner stands the federal Government, pounding its gloves at the prospect of controlling both the houses of parliament from July. And in the red corner stand the students, unions, academics and the universities and their associations, bracing to fight for life as they know it.

When the Government takes control of the Senate on July 1, the way will be clear for its legislation to pass unhindered.

Some in the sector admit to being daunted. Others are hopeful that their many voices, joined, will put a brake on the government machine. But all agree it's going to be a tough year.

The National Tertiary Education Union, representing 26,000 academic staff, has yet to see some of the mooted changes but already president Carolyn Allport describes the Government's industrial agenda as severe.

"They will be tying increasing amounts of funding to industrial relations requirements," she said.

Once the union saw "the colour of the legislation", it would send a complaint to the joint committee on academic freedom of the International Labour Organisation and UNESCO.

"That has the potential not just to put the Government in a particular light but it could affect our international standing," Dr Allport said.

Government interference was high on the list of NTEU concerns. "For the first time we've seen a minister who has actually overruled the peer review process at the Australian Research Council. Unheard of," Dr Allport said.

"All of these things are about undermining the professional rights and responsibilities of academic staff and we take these things seriously."

The union would also fight the Government's insistence that Australian Workplace Agreements took over from collective pacts.

It argued that above-board arrangements for star academics made AWAs redundant and that the universities preferred collective bargaining.

It intended enlisting the help of the Business and Higher Education Round

Table and the Business Council of Australia to help it bend the Government's ear.

The Group Eight research universities come it would have bargaining after July 1.

It must be issues that it most. It Walsh said.

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Samantha Maiden

UNIVERSITIES could face multi-million-dollar fines if they attempt to circumvent a government ban on charging compulsory student union fees under tough legislation to be unveiled by Education Minister Brendan Nelson.

The Howard Government's plan to end compulsory student unionism in Australia will also force universities to cover any shortfall in the cost of student services presently funded by the \$60 million-a-year collected in union fees.

The legislation contains heavy financial penalties for universities that try to bypass the ban by charging their own fees such as cafeterias, bars and sporting clubs.

Vice-chancellors last night condemned the Nelson plan as the "death of services" on campus, which could damage

refunds to students if they charge compulsory fees. Universities that fail to refund compulsory charges will face fines of \$100 for every full-time student.

For example, Monash University, which has 30,000 full-time undergraduates, could face fines of up to \$3 million. Sydney University would face fines of up to \$2.6 million. Melbourne University \$2.5 million. Adelaide University \$1 million.



action. This will be implemented in 2005."

La Trobe University vice-chancellor Michael Osborne last night urged parliament to reject the legislation.

"It's the death of university facilities," he told The Australian. "We depend substantially on overseas students and if we have campuses that don't have services other than user-pays we will make it more difficult for us to recruit overseas."

"It's madness," University of Western Sydney vice-chancellor Janice Reid said she strongly backed students' right to retain representation.

"The system we have had for many years has worked well for UWS," she said.

The National Union of Students yesterday lobbied Coalition MPs in Canberra over the effect of voluntary student unionism on student services.

NUS president Felix Elledge

country. "Basic research lays the groundwork for applied research," he said.

"They'll cut funding and focus it into narrow area and future."

than the strict academic activities on university campuses," Mr Eldridge said.

Employer group the Australian Higher Education Industrial Association was also in the dark about what work reforms the Government was planning.

"It's an interesting time but I don't know why it's going to be interesting or in which way it is going to be interesting," AHEIA executive director Ian Argall said.

He said the fact only about a dozen universities had agreed to enterprise agreements after nearly two years of

to take in more expensive and longer degrees. Last November, Dr Nelson told the HES that he would keep the 25 per cent cap on HECS levels.

As the academic year begins, stakeholders assess their chances. Ms Walsh said the Gov would be up against it. "The reality is that on any issue where you need to negotiate, your leverage is reduced to nil," she said.

Mr Eldridge said 2005 would be "a very tough year" But Mr Horton said he "can see some promise".

"There'll be some very active campaigning and hopefully the Government will take notice of what the stakeholders are saying," Mr Horton said.

Dr Allport was not so optimistic. "Of course it's a daunting situation to face, but you have a task to put your case, to lobby well, to keep the dialogue going with all parties," she said.

"These issues are not just issues of self-interest, they're issues of Australia's export industry, issues that affect our labour market needs, affect the standing of the institutions within our community."

They're public interest issues."



UniSA

'Diversity' and Overseas Providers

Unis won't remain a protected species

Students will be seduced by foreign institutions at home and abroad, writes Glyn Davis

AUSTRALIAN public universities have achieved a largely unreported marvel — the creation of a vast new export industry. While few Australians study overseas, 150,000 more international students come to our shores for a university education every year.

The industry booms still. Just this year, four Australian universities were accredited by the American Distance Education and Training Council, gaining access to the US distance-learning market.

Until now, Australians have sold but not bought education in an international market. It won't last.

As the price of attending university locally rises, more Australian undergraduate students will head overseas. The National University of Singapore, with excellent facilities thanks to generous public funding, has already advertised its courses to prospective Australian students.

Others will follow. Australia is a small market but a wealthy one, with growing international educational options off-shore.

For those who stay, the international market may soon deliver local choices. Well-known overseas universities have established numerous satellite campuses through the region, notably in Singapore, Beijing, Hong Kong and Shanghai. Australia is a logical next step.

Already the South Australian Government has invited an offshoot of Carnegie Mellon University to deliver American postgraduate degrees in Adelaide. If this proves a trend, degrees in Adelaide will become as well as in Australia will become an importer as well as an exporter of higher education.

For the moment, local universities enjoy some protection from international competition. Two regulations are key — commonwealth legislation of student loans, and statutes defining the nature and purpose of a university.

Current federal policy makes access to deferred student payments, through HECS and FEE-HELP loans, available only to approved Australian institutions. Such funding is essential for most Australian students facing higher education fees.

Without similar access to deferred student loans, an international university would be at a disadvantage. Offering government-supported

SUSTAINING PROSPERITY

loans is important for attracting students. Australian governments may worry that local students who acquire a respected American degree are more likely to move overseas for employment, never repaying their HECS or FEE-HELP debt.

The more significant constraint on competition, though, is rules defining a university. Guidelines flowing from national protocols agreed between the commonwealth, states and territories, require expensive infrastructure such as libraries and laboratories and impose a commitment to research. They preclude teaching-only universities.

While such rules may not daunt an established research university such as Carnegie Mellon, they would prove a serious barrier for the new generation of American vocationally oriented and web-based providers such as the University of Phoenix or DeVry University. These are successful teaching focused institutions with a large capital base and well-crafted programs that could offer Australians relatively inexpensive university options.

The requirement for facilities prevents a Australian market.

are not always similar. In an era of small, operating from a small number of degrees with minimal if at all conducting no local research.

How can policy make treats local and international differently? In an era of such regulations look to main than policy to main the rules by finding a political and diplomatic cles of free trade to be a

Many sectors in Aust

difficult transition from a protected local market. As a sector becomes more international, with services moving in both directions, and overseas players move into Australia, the regulatory framework proves untenable.

In other industries facing globalisation, governments have gradually abandoned clear minimum service standards in favour of a "hands off" approach, adopting instead a "hands off" approach, adopting instead a "hands off" approach, adopting instead a "hands off" approach.

The local industry that emerges to international competition will be radically different. Such a transition will education. Even if res of their own income. assets with access in significant op ability to dis campuses, mir in recent tr allocates r Australia on the and / off becom

Protocols in line for overhaul

Samantha Maiden

UNIVERSITIES risk being left behind in a global stampede to liberalise higher education and offer students the choice of private colleges, teaching-only institutions and research-intensive degrees.

A significant review of the national protocols defining universities in Australia has

Caught in a conformist straitjacket

Universities' efforts to diversify are stymied by bureaucratic protocols, writes David Lloyd

HERE'S a fun game for six to eight university administrators, to be played over a bottle of wine after work. Take the mission statements of Australia's 40 universities. Remove from them the name of the institution. Then hand the nameless statements around the table. One must see if anyone can guess the name of the institution. It is being a winner, and the loser is the one who has to guess the name of the institution.

into the comprehensive satisfaction of everyone when it seems that a potential client or consultant might be excluded. It's a temptation any international marketer of higher education knows only too well, yet the better and more experienced resist. "We're particularly good at that everything else is also good, small and friendly — yet interesting and institutionally solid, somewhat comprehensive." "I might want you, sadly, far."

large groups of people for whom intellectual lives driving force, sh, but the

The name's the game

■ **The US:** The higher education system has six tiers, ranging from doctorate-granting institutions to community colleges. There is no consistent regulation of the title university — some states have tight controls and others may not even make provision. Accreditation is carried out by private, non-profit



'Diversity' and Overseas Providers

Bring back teaching

DEBATE about the definition of university and the need for a broader range of higher education institutions, particularly teaching-only institutions catering to niche markets, is essential if there is to be a level playing field in higher education.

For this reason, private providers welcome the release of the federal Government's Building University Diversity paper.

What is curious is that few commentators, in drawing parallels with the old binary system, mention the *raison d'être* of the old universities: to provide a broad education. The

Bring back teaching

DEBATE about the definition of university and the need for a broader range of higher education institutions, particularly teaching-only institutions catering to niche markets, is essential if there is to be a level playing field in higher education.

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What is curious is that few commentators, if any, are drawing parallels with the old binary system of higher education. The

For this reason, private universities are not releasing the federal Diversity paper. What is curious is that few commentators, if any, are drawing parallels with the old binary system and the original *raison d'être* of the old system of colleges of advanced education. The motto then was "equal but different" and the job of the CAEs was to deliver higher education courses that led to jobs. These were teaching-only institutions, different from universities only in that they were not required to undertake research. The one thing they had in common was that they were a fee-free zone — the government paid students' tuition costs. Today, it is a different picture. The new tertiary system is a fee-paying regime, whether it is a university, a TAFE institution, or a private tertiary institution.

Today, it is a different picture. The new dimension is a fee-paying regime, whether it is a private tertiary institution, usually operating in a commercial world, or public university offering full-fee courses to Australian students. This is what the debate on protocols should embrace.

We have a higher education system in which there are public and private sectors. At the moment, public universities have a near monopoly on the title of university. The title is important in a commercial context and private teaching institutions in this country should be able to make a case for using the title.

Particularly welcome in Building

Particularly welcome in Building Diversity is the call for mutual recognition of accredited higher education for those institutions that do not provide for self-accreditation. Fully accredited provides for mutual recognition of approved private courses. Fully accredited provides warrant the same pr

One disappointing feature of the University Diversity is the lack of endorsement of students as an item for the Science & Technology Review.

In an earlier report Education, Science and former U7 Guthrie observed accrediting provided protocol they were level of scrutiny the appropriate monwealth Reg. Courses for Overseas less automatic.

While Guthrie made no further comment on this claim, it does raise the favourability of private providers have about the universities for such treatment extended to universities for such registration which is, in essence, unfair trading. International education is important to our economy, our diverse communities and the viability of the sector. Any delay about future approval and accreditation processes for Australian higher education should not exclude CRICOS registration.

Overseas unions win in new shake-up

Samantha Maiden
OVER

OVERSEAS colleges and private universities will be encouraged to open for business in Australia as part of the Howard Government's second wave of higher education reforms. Outlining a push to dem-

Outlining a push to dem...

choose to become a research-only institution or a teaching-only education provider. "It is neither a desirable

"It is neither necessary nor desirable for all universities to be the same," Dr Nelson said. "In particular, it is worth debating the requirement for all universities to undertake research as well as teaching. "However, it (diversity) will



Overseas Providers and Regulation

Opening for business

Regulatory framework for foreign providers of higher education

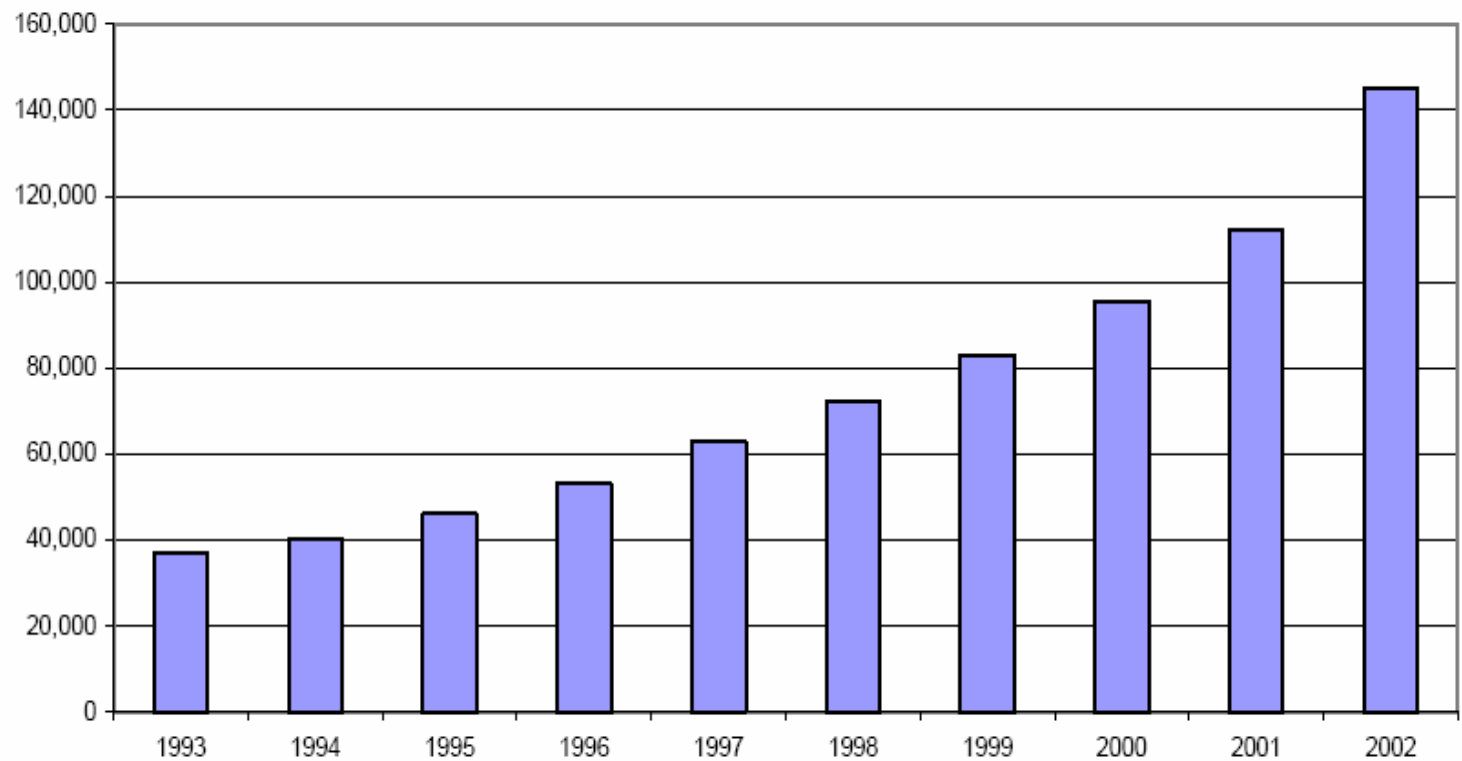
No regulations: Foreign providers free to operate without seeking permission	Austria, Czech Republic, Denmark, France, Indonesia, Mexico, Nigeria, Portugal, Russia
Liberal: Minimum conditions only, eg, outsiders must be recognised in home country	Argentina, Bahrain, Estonia, Finland, Latvia, Netherlands, New Zealand, Norway, Sweden, Switzerland, Britain, USA*
Moderately liberal: Formal rules, eg, on curriculum and registration, not burdensome	Australia, Bangladesh, China, Egypt, Hong Kong, Hungary, Israel, Singapore
Becoming more restrictive	India
Liberalising	Japan, South Korea
Very restrictive	Bulgaria, South Africa, Belgium (francophone), Greece

Source: Observatory on Borderless Higher Education

*Varies by state

International Student Enrolments

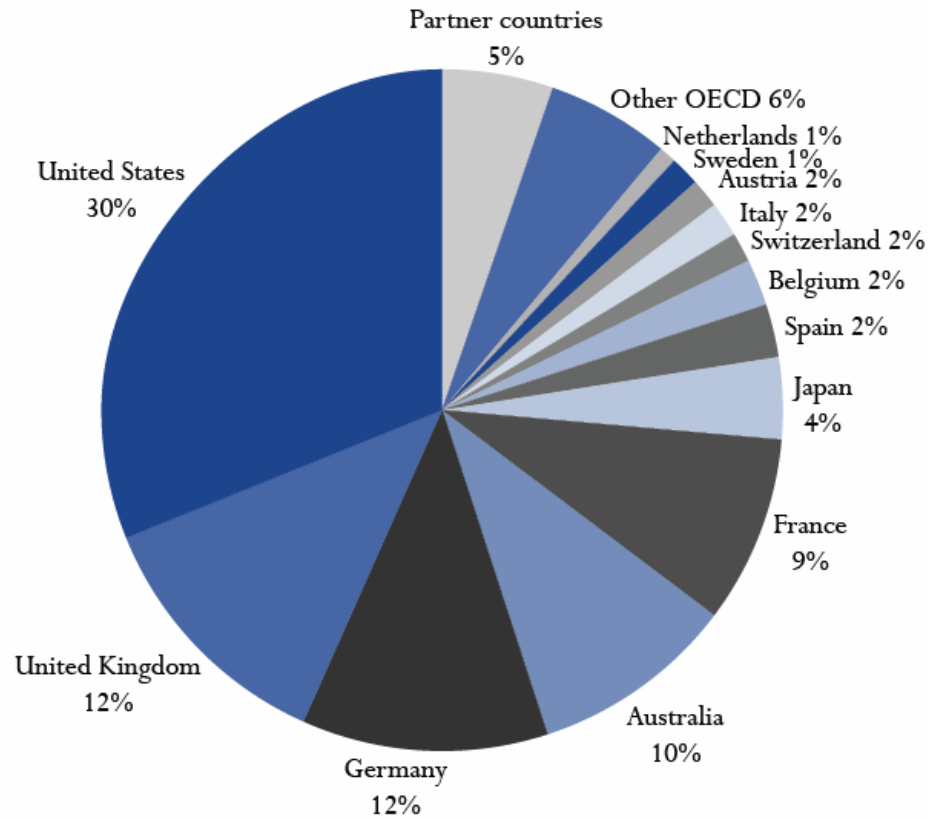
FIGURE 2: INTERNATIONAL STUDENTS ENROLLED AT AUSTRALIAN UNIVERSITIES, 1993-2002



Source: DEST, *Selected Higher Education Student Statistics*.

Australia – a major education exporter

Chart C3.2. Distribution of foreign students in tertiary education, by country of study (2002)



OECD. See Annex 3 for notes and Table C3.7 (www.oecd.org/edu/eag2004).



The international stage – its big business!

■ International student marketplace

- ◆ Onshore
- ◆ Offshore (campuses)
- ◆ Offshore (partners)
- ◆ Credit arrangements
- ◆ Joint offerings
- ◆ Outsourcing

■ Quality Control

■ Risk Management

■ Brand Australia



International Student Enrolments

FINANCIAL REVIEW

University Exports Are Big Business

LP Leading vice-chancellors convened at a recent AFR round table discussion on education as a business. In this, the second extract from the discussion and AFR Boss magazine editor Helen Trinca, the vice-chancellors focus emerged as a hot sector, but differences arose in the type and value internationally.

Tim Dodd: Overseas students have been a huge earner for universities, but is there a carrying capacity for many can we have and how many do we want?

TD Ruth Dunkin: RMIT, along with UNSW and Monash are about 20 per cent of our revenue base, so it's clear financial position. Our view has been that, while

UNSW sets its sights on India

Ebru Yaman

THE University of NSW is boosting its profile in India, a nation with significant higher education sector. UNSW deputy vice-chancellor (international) and development officer, Ruth Dunkin, says India's economic growth would bring in more students within 10 years, but it remains "on the radar" in Australia.

In the past four years UNSW has signed 12 memoranda of understanding with Indian universities and institutions and launched special double-degree programs there.

Other initiatives include the establishment of the Indian Admissions Office, which recruits Indian students and business executives, the holding of joint conferences, and joint research and student exchange programs.

Professor Dunkin says the Australian higher education sector had concentrated its attention on China, Asia and a few parts of the Pacific. "We've been looking for a very important country in the region," Professor Dunkin says.

"We haven't engaged with India for the past 20-30 years, so we should."

He said a common legal system, the presence of an English-speaking population and Australia's long cultural partnership in education were the "selling points" of the international student market, but the university was not the only one.

"The fit was good in terms of our research needs... it just came about naturally," he says.

Part of existing Australia's profile in India was sending out key Indian universities through academic exchanges and research collaborations and UNSW also developed the International Association of Indian Universities (IAIU) last year by NSW's Premier, Barry O'Farrell.

The idea provides an international benchmark for assessment of the range of students from Year 12 to 12, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100.

He said there was "a real desire to be there and to be a part of it. The fact that we have been successful in getting more Indian students here is a testament to that."

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The university is spending \$100,000 a year on its Indian connection.

Academics has a global future.

Page 53

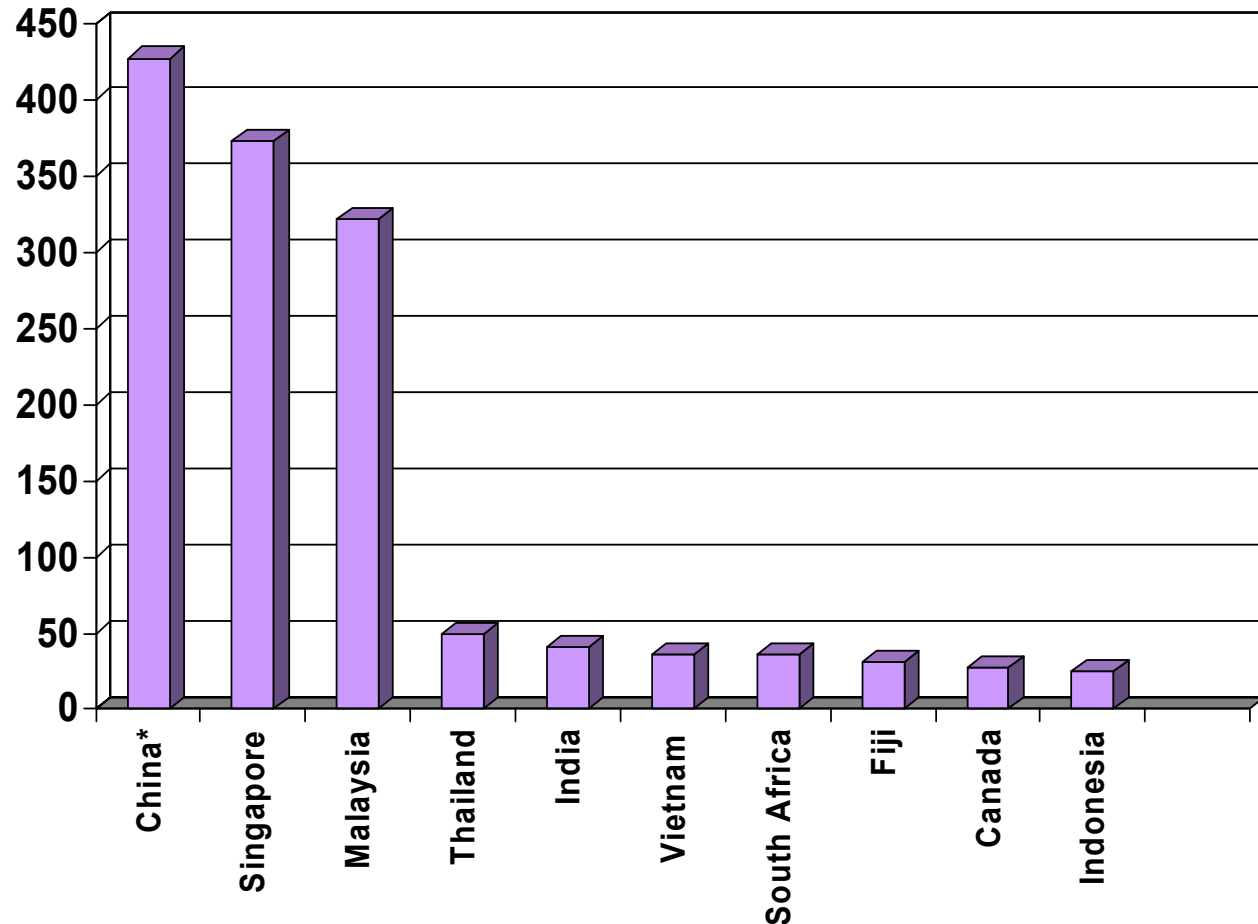


Nation on the move: Thousands of Indian students have been assessed in academic tests devised by UNSW



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Offshore programs by Country



*Includes Hong Kong (SAR)

Source: AVCC Survey of Offshore Programs of Australian Universities, 2003



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Poised for take-off?



Already a big global business, is higher education poised for take-off?

Free degrees to fly

Already a big global business, is higher education poised for take-off?
THERE used to be three near-certainties about higher education. It was supplied on a national basis, mostly to local students. It was government-regulated. Competition and profit were almost

incompatible for talent and money. That is breeding independence of government, both financially and psychologically; inexorably, the state's role is shrinking.
The two big trends, of internationalisation

the world. In Europe and many developing countries, the customer in education for most of the past century has been the government: it wanted the nation's brains educated in the most useful disciplines and in a cost-effective way. Universities may have seen themselves as temples of learning, but the taxpayer was often paying for income as well as priests and disciples. In short, the system resembled a Soviet-style planned economy. Now that system is facing a transition to what, in effect, is a market. The change will be messy and painful.
Most students, like customers everywhere,





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***Global Reform in Higher Education –
Issues and Impacts from the
Australian Experience***





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Some questions for us to consider?

- Should aspects of higher education be insulated from the market place?
- Are academic freedom and ethics being put aside to make money?
- What defines a University?



The Enterprise University: The Fetish of the Firm?

- Since the “Dawkins Revolution” (1986-91), increasing corporatisation of universities
- From collegiality to management by professional executives
- Focus from public good to competitive advantage – University prestige, revenues, competitive position as ends in their own rights
- Resources shifted from teaching to marketing – much of the new tuition revenue ploughed straight back into marketing and recruitment
 - ◆ “The soul of the university is at risk, and this, not bankruptcy or competitiveness is the real threat. In the final analysis, why should society fund the university if there is nothing distinctive about its cultures and it is just another business? (There must be more efficient ways to provide minimalist vocational training and commercial research!)”

– Marginson, S.2004. ‘They Make a Desolation and They Call it F.A. Hayek – Australian Universities on the Brink of the Nelson Reforms’, *Australian Book Review*, April 2004, p34.



Competition and Positional Markets

- Elite universities (Go8) will become stronger under competition – will this actually decrease competition?
- Marginson's Positional Goods argument:
 - ◆ Dual competition – institutions compete for most preferred customers, whilst consumers compete for entry to most preferred institutions
 - ◆ Prestige sustains competition for entry into most sought-after institutions, which generates high entry scores
 - ◆ Wealth follows prestige
 - ◆ Only at the lower levels does competition occur – driving prices and quality down.
 - ◆ Positional market never truly competitive
 - ◆ Advantageous position of elite universities built upon decades of public support



Individual Investment vs Social Good

- In focusing on the private good, commercialisation of research and the employment and status related benefits of higher education, what happens to the other roles of the University?
 - ◆ Sustaining and advancing intellectual disciplines
 - ◆ Publicly available pool of expert knowledge
 - ◆ Stewardship of cultural and scientific resources
 - ◆ Cultural activities
 - ◆ Pastoral care of students
 - ◆ Formation of personality
- If we fail to recognise these, will we fail to fund them?



Some food for thought ...

- *A non-profit university exists, ultimately, so that its members can teach, think and learn. Making them into “staff”—mere shopfloor workers on an academic production line—risks losing the ethos which has given universities their character and value. (“Free degrees to fly” in **The Economist** Feb 24th 2005 - print edition)*





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