

Submission on the Interim Report of the Accord Panel

Professor Vin Massaro, Melbourne Centre for the Study of Higher Education, University of Melbourne

Introduction

This submission is made in a personal capacity and will focus on two issues from the Interim Report:

- The Tertiary Education Commission
- Equity

The need for a Tertiary Education Commission is manifested by the fact that Australia has not had an effective and coherent policy and regulatory environment for higher education since the abolition of the Commonwealth Tertiary Education Commission in 1988. This has left the higher education system without a vision of what the nation wants from it and how it should best be organised to deliver on that vision within the government's funding capabilities. Growth has been organic and left to individual institutions largely based on financial needs with little if any central oversight to ensure that the nation was not left without crucial disciplines simply as a result of individual decisions to close any that were not financially viable. Structural, size and course offering decisions have also been made on individual ambitions without regard to the maintenance of diversity. An independent, expert statutory body to advise government is essential to guide and oversee the system to provide it with a national vision based on evidence and public discussion.

The proposals in the Interim Report regarding equity are welcome but insufficient to achieve true equity. Access to higher education should be available to any student who has the intellectual capacity and desire to enrol and their choices should not be limited by their geography or financial circumstances. Equity should mean that if a student has chosen a field of study that is only available in an institution that is out of her or his place of residence that student should be supported to live away from home without burdening already disadvantaged parents. The notion that such students can be off-campus in study centres or only able to study courses that are deemed to align with government priorities imposes a burden on disadvantaged students that city students especially do not need to carry. It also deprives the nation of having its best students enrolled in courses on their merits rather than their ability to pay.

Tertiary Education Commission

The Current System

The tertiary education system and its policy and regulation are neither planned nor effectively coordinated. Higher education has multiple reporting lines to government with direct relationships to the Department of Education, the Department of Industry and Science (for the

Australian Research Council, TEQSA and the AQF) and the Department of Health and Aged Care as well as interactions with several other ministries. Higher education institutions also need to respond to the Auditors-General in their jurisdictions and they are required to report regularly on their performance on a large range of activities to several different state and federal bodies. This is unproductive activity that does not promote the objectives of the system.

The post-secondary education system is a complex organism and each alteration or tweaking of one part will have impacts on others. Without an entity that understands the whole organism so that the consequences of each change can be planned for, and any risks mitigated, the resulting structure will not work.

Countries with successful higher education systems have in common a senior and powerful coordinating and planning agency with the expertise and staff to develop policy and advise government, as well as managing expert negotiations with institutions to ensure that they are supported to achieve their agreed plans and that the system operates coherently to meet the diverse needs of the country. Such agencies typically maintain a watching brief over the system to ensure that it is operating effectively and engage in long-term planning for its future. They also tend to be responsible for the maintenance of effective quality assurance systems.

Lessons from the Australian Experience

This system existed in Australia through the Commonwealth Tertiary Education Commission (CTEC) that had been in place as an advisory body in varying forms since 1942, but it was abolished in 1988 in favour of a more direct departmental management and operational structure. The new National Board of Employment, Education and Training was established as an advisory body, but with a skeleton staff and no capacity to undertake its policy analysis or investigations other than through the Department.

The fundamental problem that emerged was that the system had lost an expert and independent policy and planning coordinating agency that could provide government with evidence-based policy and advice on the health of the system and how it could meet the government's objectives and the nation's long term needs.

All systemic innovation was transferred to the government of the day or to inquiries that it might establish. Where CTEC could investigate matters on its own initiative, the Department is constrained by the preferences of the government of the day, so that policy options are inevitably narrower, and some solutions not canvassed if they are seen to be inconsistent with prevailing government ideology. Over the years this has led to a lack of policy coherence as different reviews and inquiries examined different aspects of a complex system but with no strong coordinating entity to develop a balanced and effective implementation plan.

The current system means that there is no one agency responsible for the system to provide government and the system itself with a long-term and coherent vision and the mechanisms for funding and coordinating it in the best interests of current and emerging national needs. There is no formal mechanism to ensure that the nation does not find itself without crucial teaching and research capacity because the sum of individual decisions by institutions leads to the disappearance of critical disciplines due to their cost or reduced popularity without taking account of the long-term national needs for such disciplines to continue.

The effect has been to place the Minister too close to the operational elements of the system, while lacking the input of senior, expert and independent advice or the capacity to have negotiations over details carried out by a group that is seen as sufficiently part of the system it is coordinating to negotiate outcomes that are most likely to be implementable. The capacity for the government to set broad policy and leave it to an agency to implement it has been severely reduced, whereas in countries like the United States, Sweden, Ireland, Hong Kong and Singapore coordinating bodies are able to advise or make difficult decisions from a position of strength because they are not politically involved. This was also the case under CTEC.

The Bradley Report saw similar deficiencies in the existing policy and coordinating settings, but its solution was based on cooperative federalism, relying on Ministers and senior bureaucrats setting aside jurisdictional allegiances to focus on national needs. It was not a solution for long term, sustained planning and coordination. The government did not take up the proposal but neither did it address the questions that had caused it to be raised.

Several policy initiatives and reviews that arose from the Bradley Report required further detailed work to lead to implementation, yet many were taken no further because there was not a comprehensive implementation mechanism or a mechanism to explore the proposals in detail to establish whether they were feasible or whether they should be abandoned.

The Accord Panel's final report will no doubt also contain proposals that need more detailed analysis and consideration before decisions can be made about their implementation, in light of the funding that is likely to be available. Not all worthy proposals will be able to be funded, but there needs to be a mechanism to ensure they are not lost in the long term or brought forward due to a strategic prioritisation based on expert advice.

The Panel's proposed Tertiary Education Commission would be the logical entity to take charge of bringing its recommendations to fruition or developing a staged process based on strategic prioritisation.

These risks cannot be mitigated at present because there is no avenue for preventing the system from being subjected to divergent demands with no account of its capacity to meet them. There is a need for a senior and expert group that can make the judgements required to create a workable and sustainable policy framework.

The Commission

Australia should establish an independent, expert advisory Tertiary Education Commission as a statutory body with responsibility for coordinating the higher education system and providing long term and sustainable planning advice and providing oversight of the system to ensure that it is fit for purpose and operates as a coherent whole. The Commission would also make recommendations to government on system funding that is adequate to enable it to perform its national functions.

The terminology that was used for the California Postsecondary Education Commission encapsulates the brief that might be given to an Australian Commission: "to assure the effective utilisation of public postsecondary education resources, thereby eliminating waste

and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs through planning and coordination."

Whether the Commission should advise the Minister on matters of Commonwealth expenditure or whether it should have control of expenditure within budgetary and policy guidelines approved by government is a judgement that can be made once the principle has been accepted.

Close liaison with the Minister will be essential in either case, but it will be important to ensure that the Commission has sufficient resources and access to information to carry out its functions effectively. If these are secured, it will be important that there not be wasteful duplication of functions in a government department, or a situation of competition or rivalry between two bodies.

The Commission should be the senior, expert and independent central agency advising government on the higher education system, taking account of the needs of government and its several departments to create a cohesive and world class teaching and research system.

The Commission should be required to publish its advice in regular, comprehensive reports that focus both on the near future and current funding horizon as well as addressing longer term issues, canvassing possible solutions for wider discussion.

The Commission should be responsible for providing advice to government on the planning, resource allocation and regulation of higher education. It would operate within fiscal parameters set by government, but provide advice based on expertise, with a policy focus on long term sustainability. It should absorb those elements of relevant Departments that deal with higher education to provide it with the staff expertise residing in those departments, and it should also absorb TEQSA and the ARC. It would interact with all relevant government departments to become the central site for national thinking about policy in a local and global knowledge economy.

The Commission would be responsible for negotiating accords with each institution based on national needs within the budgetary allocation for the system in any year.

Functions of a Higher Education Commission

The Commission should have as its broad aims to:

- develop an ongoing national plan for the operation of an educationally and economically sound, vigorous, innovative and coordinated system of higher education;
- be a free-ranging advisory body that can test new ideas, set new boundaries and develop innovative solutions, by canvassing ideas and options without committing the government, while providing advice that the government can adopt or reject as it chooses;
- identify and recommend policies to meet Australia's educational, research and public service needs; and
- advise the Minister on policy and budget priorities that best preserve broad access to high quality higher education.

In order to carry out its functions the Commission should:

- be responsible for providing comprehensive and evidence-based policy advice on higher education, including teaching and research;
- monitor the health and needs of higher education and provide public advice to the Minister;
- have an advisory role, with funding decisions remaining with the Minister and government, advised by the Department;
- be the main regulatory and quality assurance body, incorporating TEQSA;
- conduct long-range planning of the needs for new university campuses in light of projected enrolment demand;
- be responsible for negotiating compacts with institutions, within a broad policy framework set by government, that promote excellence and diversity and achieve the government's equity and access goals;
- determine, in negotiation with each institution, the level and range of research activity that should be supported;
- provide advice on accrediting institutions, in conjunction with the Australian Research Council, as advanced learning and research centres in particular fields to determine entitlements for funding for research higher degree students enrolled in those fields;
- provide independent, comprehensive and timely information about student enrolment, educational outcomes and other educational policy issues;
- develop policy to encourage and fund the enrolment of students from Indigenous and disadvantaged backgrounds, including the provision of supplementary financial support for students and their chosen institution;
- develop funding mechanisms that take account of the relative costs of educating students in regional and remote communities;
- make recommendations to government on the balance of resources provided between undergraduate and postgraduate students;
- report publicly on accreditation, quality assurance and assessment in tertiary education to ensure, *inter alia*, that there is an informed market as to the quality and type of education provided by different institutions, recognising their different missions;
- seek strategies for greater efficiency and cost containment in tertiary education;
- recommend legislation that the Commission deems necessary or appropriate to improve higher education;
- have data collection, analysis and dissemination functions, and maintain a watching brief on the health of the system, recommending action to maintain and improve it so that it continues to meet the nation's objectives;
- use its information and reviews of the system to measure its performance and make recommendations on costs, providing the government and the sector with comprehensive and sophisticated data;
- collaborate with the schools and VET sectors to ensure that all levels of education and training in Australia are mutually supportive and complementary.

Constitution of a Commission

The Commission should be a Commonwealth statutory corporation accountable to Parliament through the Minister responsible for education.

It should operate within public guidelines approved by the Minister, but be at arms length from both government and higher education institutions in the advice that it may give or the authorities it may exercise in facilitating the operation of a largely deregulated and autonomous higher education system.

The Commission should have staff and access to information concerning the operation of the system sufficient to support its necessary independence of function.

It should be chaired, on a full-time basis, by a person with expertise relevant to higher education. It should have approximately ten part-time members, some of whom should bring expertise from industry and the professions. Note should be taken, in selection of members, of the need for geographical spread, gender mix, knowledge of differing styles of higher education and academic or discipline background.

Operational Mechanisms

In creating a buffer between government and the institutions and having a strong and expert body to both assess funding applications and negotiate appropriate outcomes on behalf of government will lead to more evidence-based decisions that are not subject to perceived political interference.

The Commission should be responsible for conducting annual negotiations with institutions to determine accords with clear goals in return for access to government supported places or other funding. This should include institutional plans for teaching and research, based on an agreement in which the institution is able to demonstrate capacity to deliver as well as a choice over what it wishes to emphasise. The broad quality assurance environment under which institutions should be required to operate will serve as a framework within which negotiations take place. Funding would be based on persuading the Commission that the institution is able to deliver on its plans. The expertise in the Commission would enable it to judge when an institution is unlikely to meet its preferred plans and when these would need to be modified through further negotiations.

In an environment where there will continue to be calls for increased funding an independent Commission would act as an expert buffer between government and the institutions serving both to establish the extent of funding shortfalls and the development of appropriate measures to rectify them.

The Commission would also use the accord negotiations to determine whether there are special circumstances affecting regional or remote institutions that warrant a different funding mechanism to support their operations. While such institutions would nevertheless be required to justify the scope and value of their offerings and be subject to an assessment of their submission, it would be open to the Commission to recommend that student support mechanisms for such institutions should reflect the proven additional costs involved in delivering education.

It is generally agreed that research training and supervision should be better linked with the research capacities of universities. Bringing teaching and research and research infrastructure funding under the one agency will ensure that negotiations can address all aspects of an institution's activities to arrive at a single package of funding and obligations.

Equity

The equity proposals in the Interim Report are welcome, but insufficient to achieve true equity. Access to higher education should be available to any student who has the intellectual capacity and desire to enrol and their choices should not be limited by their geography or financial circumstances. Equity should mean that if a student has chosen a field of study that is only available in an institution that is out of her or his region the student should be supported to live away from home without burdening already disadvantaged parents. Equity measures should promote the identification of our best and brightest and allow them to flourish in their chosen fields and contribute fully in the national enterprise.

There will always be an inequality of choice between a disadvantaged student living in Canberra, well served with three comprehensive universities and a full range of courses, one in Lismore with local but limited provision, or in one Swan Hill or in a remote Aboriginal community who will need to meet substantial travel, living and accommodation costs that will be beyond their parents' financial capacities. The system should be structured for each of them to have access to the widest range of courses and institutions.

An equity policy that restricts academically able students from our most needy families to courses that are available in their region or denies them an on-campus experience because they happen to live too far from the university of their choice does not promote equality of opportunity.

The notion that such students should be satisfied with off-campus study centres or only able to study courses that are deemed to align with government priorities imposes a burden on disadvantaged students that city students do not carry.

A lack of understanding and commitment to redress these challenges will lead to the most vulnerable continuing to be the worst off. In any case, given the lack of success that has been experienced in predicting workforce needs in the past, it would do a further disservice to disadvantaged students to channel them into courses leading to jobs that may not be there by the time they complete.

Making universities subject to fines if they do not take equity students or support them sufficiently to complete their courses, while not providing any additional funding to cover the extra support, is a very blunt instrument to deal with a complex problem and may instead act as a disincentive to enrol them.

The process of aspiring to higher education begins in secondary schools, so school teachers must be encouraged to identify and support able students to aspire to further study, whether it be in VET or university. Disadvantaged families are unlikely to have experience of further

education and may well see it as a deferral of their children's capacity to become financially independent. It should be the role of senior teachers in all schools, irrespective of their socio-economic makeup or geographical location, to expand students' aspirations and the role of government to put the support arrangements in place to enable students to participate at the highest level.

Vin Massaro
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E: Vin.Massaro@unimelb.edu.au