



Diversity in Australian tertiary education: turning words into action

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Our proposal

Our proposal builds on the current architecture of tertiary education, including a single national qualifications structure, separate national regulatory bodies and standards, Commonwealth-state funding responsibilities and transparent and accessible consumer information platforms.

We propose transforming regulatory and funding arrangements. We suggest returning to governance questions later.

Teaching

- A new category of university that acknowledges full higher educational merit in teaching, at lower price and with less substantial debt imposts on students who choose this pathway.
- In VET and TAFE, a program of serious reinvigoration of teaching by requiring curriculum standards, higher teaching standards and greater evidence of pedagogy and academic rigour, which will make for a more level playing field with higher education.
- Rearticulating training packages as assessment packages. This maintains a standards-based and industry-driven approach, augmented by requirements for curriculum, pedagogy and professional teacher and trainer standards that contribute to academic excellence.

Research

- Separating the cost of research from the funding of teaching places. This will direct research funding to research activity in a more transparent way. It will also reduce the cost of teaching at bachelor level.
- Add a substantial part of the consequently freed-up funding to merit-based funding for research. This will drive excellence in research-competitive universities without the need for cross-subsidisation from teaching students.
- Holding separate a proportion of freed-up funding for research-based contributions to local and regional economies and communities. This could be pursued through a separate quarantined fund for place-based research and engagement.
- Universities could choose which funds they compete for, based on their strengths and missions, unimpeded by the need to stretch resources to meet centralised regulatory requirements.

Policy settings have led to higher education uniformity

In a previous paper we argued that 10 years of attempted reform of higher education policy had stalled because reforming ministers and universities failed to sell the reforms to ordinary Australians.¹ This exacerbated a failure to rethink and celebrate new models of higher education, an undertaking in which about 40% of young Australians now participate. We argued that expanded participation requires more diverse post-school education options.

We were not the first. For a very long time, governments and education institutions have advocated the merits of diversity in tertiary education operating models. In fact, every major policy development, at least from the Dawkins reforms of the 1980s onwards, has aspired to diversity, even though many actually led to more homogeneity.

The issue goes deeper, however, than unintended consequences of policy changes. The very foundations of tertiary education in Australia impose uniformity. These include the definition of the protected term 'university' and its requirement for all universities to undertake a minimum level of research; the now decades-old competency-based standards system in vocational

education and training (VET); the Australian Qualifications Framework; the Provider Category Standards; and the incentive structures built into VET and higher education funding systems.

Sector leaders and commentators talk of the virtue of diversity and choice. But government systems avoid unpacking what the community wants from universities, colleges and training organisations, and what those institutions' contributions to the economy and well-being might be. Universally applicable grand policy solutions are prioritised over solutions to what individual communities, groups, localities and educational institutions seek.

And the sector falls in line. Partly providers are fearful of losing any advantage they currently hold on to. Partly they fear the halting of the funding streams created by previous policy settlements. We might all whinge about funding systems but watch out anyone who really wants to shake them up!

In this paper we take that analysis further. We start by considering the place of research in higher education and then return to problems surrounding the place of teaching and learning across higher and vocational education.

¹ Griew, R & Barnes C, 2018, Three lessons from a decade of higher education policy stalemate <https://www.nousgroup.com/insights/three-lessons-decade-of-higher-education-policy-stalemate/>

Policies should support research and teaching

We propose regulatory, policy and administrative settings that will support providers to offer a greater range of educational options for learners.

We have read recent writings from commentators that also claim to be pro-choice and pro-diversity.² We agree with some of their aims – e.g. student choice being unencumbered by choice-distorting funding systems. However, we are unconvinced that a centralised policy solution, especially one dependent on a grand federal takeover, will achieve these objectives. We also unashamedly seek post-school options that are more affordable for taxpayers and students.

Australia has a highly successful tertiary education system, which has readily accommodated growth among domestic and international students, while servicing the needs of students, businesses and the wider community. But we ask a very great deal of it. Arguably we shackle the best of everything by demanding the same from everyone.

Immediate past Education Minister Simon Birmingham instigated reviews of the Australian Qualifications Framework and the Provider Category Standards. Shadow Minister Tanya Plibersek, although committing Labor to increasing spending on infrastructure and equity programs and to reintroducing the demand-driven system, also cautioned the sector against assuming the unquestioned continuity of current structures in post-school education.

This bipartisan commitment to looking at structures and categories in the post-school system may provide a new way through. Sensibly constructed, reframed policies could properly fund different kinds of research and allow more diversity, at better value, in teaching and learning. These are opportunities for the sector and for new Education Minister, Dan Tehan, and Shadow Minister Ms Plibersek.

Research can be a key driver of difference in universities

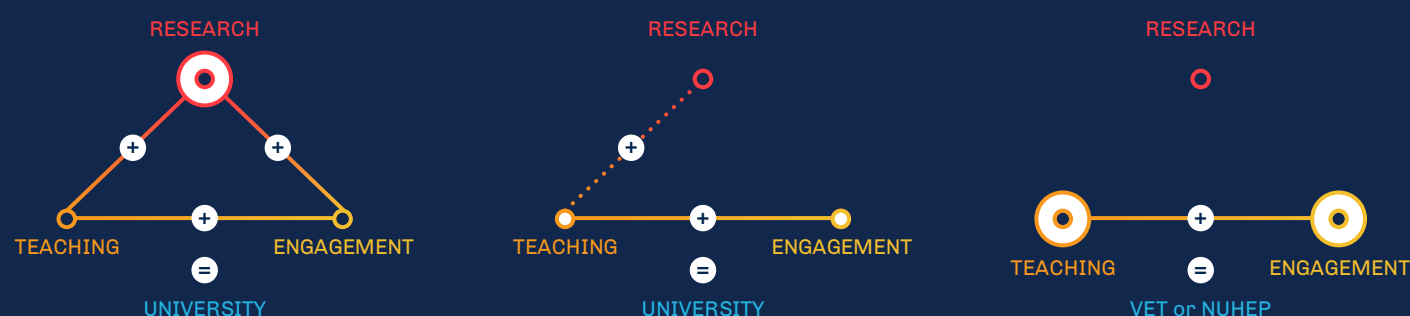
Our largest and oldest universities are research powerhouses that, despite massive international competition from traditional and new economies, have improved or at least maintained their global position. But we ask them to do this research by transferring funds provided for undergraduate teaching or from the provision of international education. We also press on smaller and newer institutions the burden of research without acknowledging their significant roles of community engagement and sustaining regional economies.

In doing so, we mask the costs of research and teaching, and we facilitate internal cross-subsidies that avoid a more transparent pricing structure. We thus make it harder for some universities to fulfil their research missions in a global economy, and for others

to better exploit local relationships and community engagement (via research or other activity). We bind these distinct missions to a brittle set of definitions.

Our regulatory system protects the term 'university' and restricts its use only to institutions with research in at least three disciplines, connected to postgraduate research training. Thus, a fine teaching institution with strong local economic and innovation system engagement must demonstrate research strength or it cannot be labelled a university. It is a non-university higher education provider (a NUHEP) or a vocational education and training provider (a VET). Yet, if a strong teaching institution with good local engagement has any research strength, it is a university. This is shown in Figure 1.

Figure 1 | Research nexus in tertiary education



² Parker, S, Dempster, A & Warburton, M, 2018, Re-imagining tertiary education, from binary system to ecosystem <https://home.kpmg.com/content/dam/kpmg/au/pdf/2018/reimagining-tertiary-education.pdf>
Business Council of Australia, 2017, Future proof – protecting Australians through education and skills <http://www.bca.com.au/publications/future-proof-protecting-australians-through-education-and-skills>

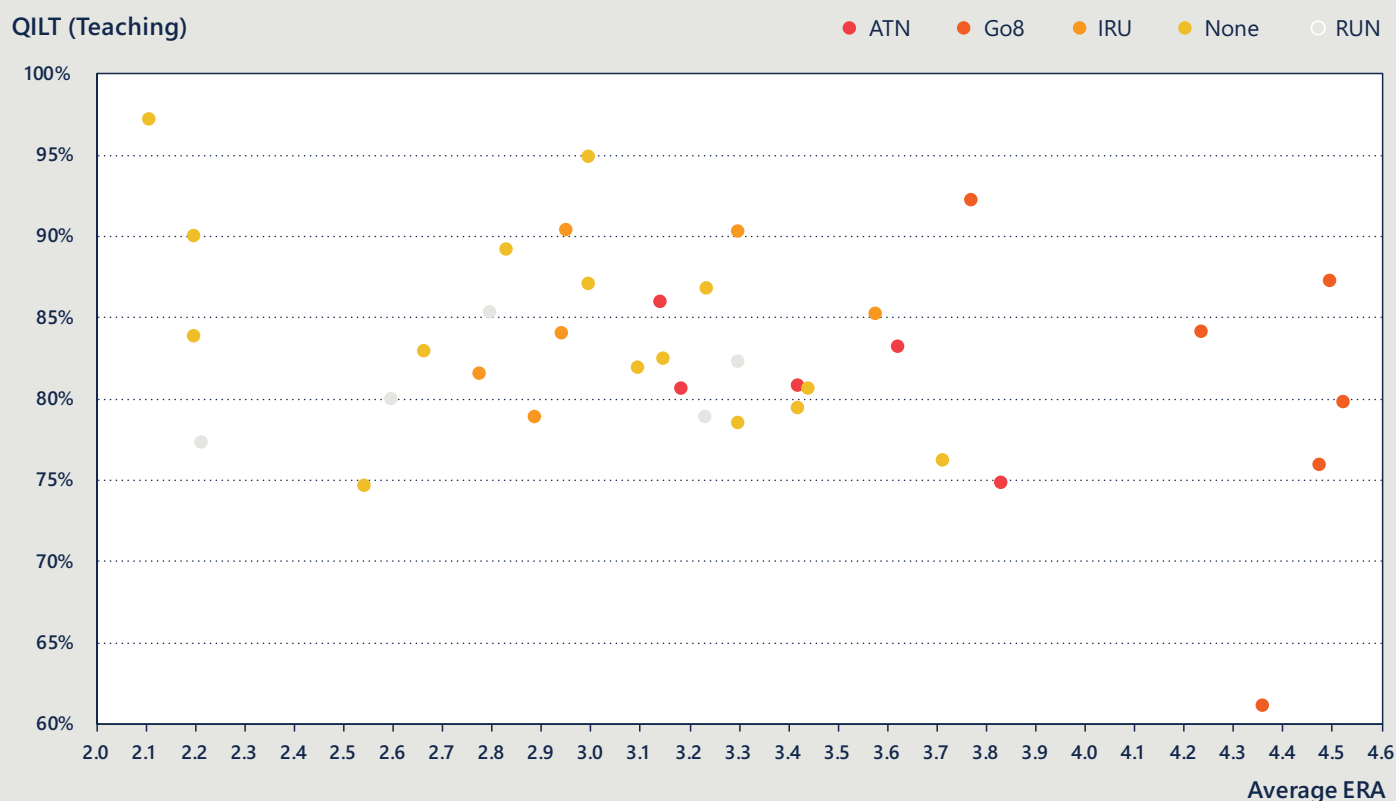
In Australia, this Humboldtian concept of 'teaching-research nexus' is fundamental to the way we define and fund universities. Australia is blessed with some fine examples of the comprehensive research university as a home for rounded development of professionals and citizens. We are not downplaying the importance of universities, especially in a world increasingly hostile to critical thinking, educating students to think rationally, based on evidence and enquiry. We are, however, challenging whether only those universities courses with excellent researchers teaching those courses can pursue this objective.

In a sector with a massively increased coverage, now educating four times the proportion of young people as when John Dawkins

designed and legislated his reforms as minister in the late 1980s, the centrality of the teaching-research nexus does not describe all that is happening. While celebrating the great examples of the Humboldtian ideal in our higher education system, we are questioning whether these are the only institutions and courses training student minds to think independently and on the basis of evidence.

It is interesting to graph university Quality Indicators of Learning and Teaching (QILT) scores against those for excellence in research, the Excellence in Research Australia (ERA) ratings. We first mapped the QILT measure for teaching against ERA scores, seen in Figure 2.

Figure 2 | QILT (teaching quality) mapped against ERA (research)



When we look across the university landscape, there are indeed many examples of high-quality teaching that are demonstrably not based on research excellence. There are also examples of research activity in universities unconnected to undergraduate teaching in any way; in fact, research is frequently managed as a separate unit of activity in university budgets and appropriations. In many universities research units

are separated from undergraduate teaching. There appears to be little correlation between research intensity and measures for teaching quality.

We also mapped ERA against student experience (Figure 3) and against employment outcomes (Figure 4). The results are similar.

Figure 3 | QILT (student experience) mapped against ERA (research)

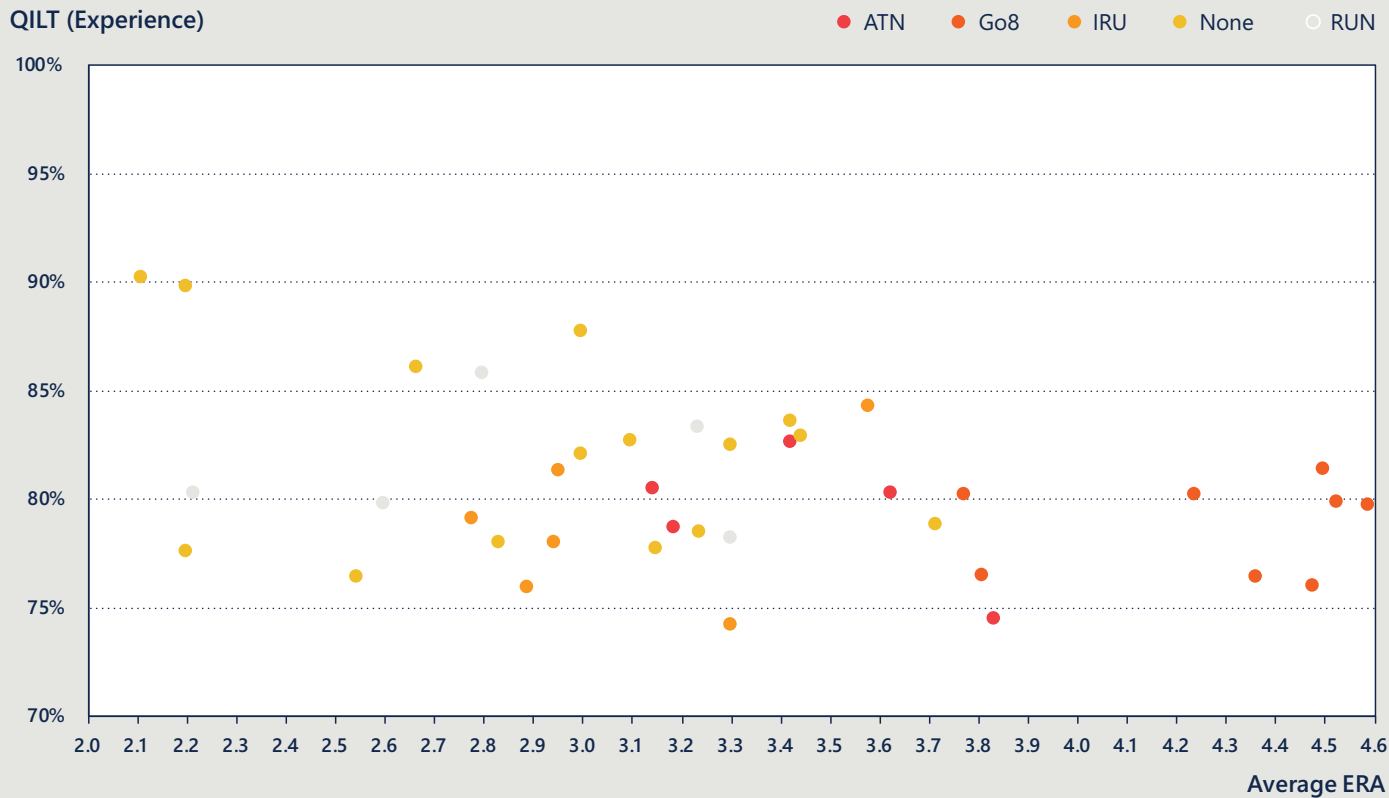
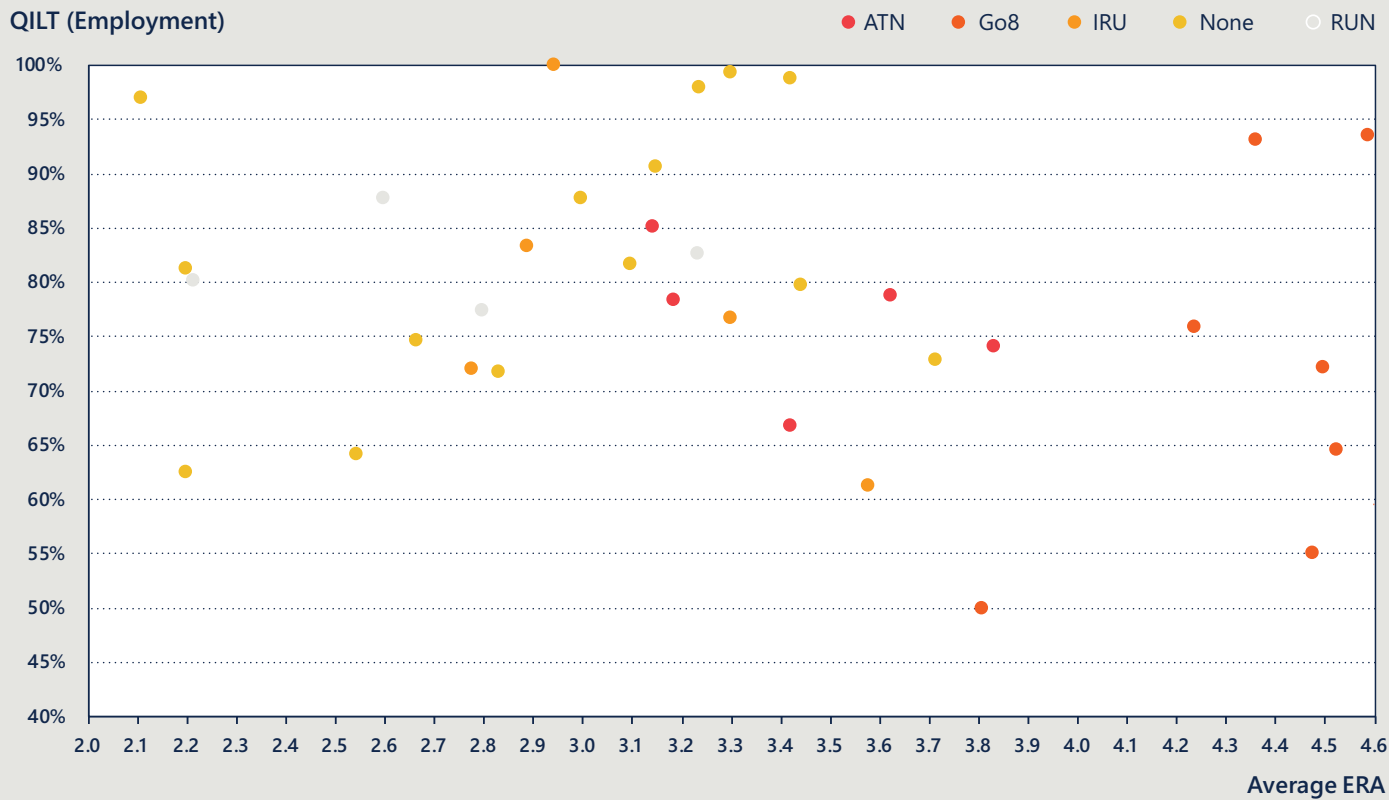


Figure 4 | QILT (employment outcomes) mapped against ERA (research)



We spoke to several vice chancellors to hear their views. We spoke to the vice chancellors of:

- urban research-intensive universities
- a coastal regional research-intensive university
- a teaching-focussed suburban university
- an inland regional university.

These conversations revealed a central reform constraint. These different universities each have strengths worth preserving. And all fear change could be to their institution's disadvantage.

The inland regional university does not compete in rankings ratings with the research-intensive universities. In fact, that VC told his people that impact on rankings should not guide their strategic decisions. However, that university is rightly proud of its impact on big questions of water, climate and agricultural production, and the professional graduates it is producing.

The coastal regional university lacks the citation strength of a Go8, but its VC pointed out that there are a group of universities nearly as numerous as the Go8 whose year-on-year growth in citations far outstrips that of the Go8. It is, of course, easier to get larger proportionate growth off a smaller base. However, such a strong middle tier in our university system, aggressively chasing down our premier institutions, is exciting.

All are getting by, manoeuvring as best they can around a funding and regulatory system that offers each only a partial solution. None of the VCs we spoke to thinks the system makes sense, but each has reason to worry that any rationalist shakeup might inadvertently take opportunity from them.

Yet, if we free ourselves from this fear, several irresistible questions present themselves. First is the implausibility of a \$2 billion annual investment in research-related funding delivered via funded teaching places in the form of an opaque internal cross subsidy.³ Even if one completely embraces the Humboldtian idea for comprehensive research and teaching universities, it does not follow that the only way to support this ideal is to merge funding streams, thereby misdirecting funding for research costs.

If one follows this line of thinking, and separate research funding from teaching, the cost of teaching overall will most likely reduce as new teaching focussed careers expand. Universities currently transfer large amounts of teaching revenue to fund research expenditure. This could happen without losing quality, with quality models on display in other teaching-led institutions.

Teaching is vital to developing skills among students

Serious consideration of research policy and practice leads us back to the confusions in the teaching and learning world and the irrational distinctions between different models of educating a massively expanded post-school education clientele. It leads us to reconsider the whole system, including VET, non-university higher education and universities. Each is challenged by the current funding rules and regulatory strictures.

The current VET system ignores the continuum of education and training. The VET sector is not one sector. It includes second-chance education at TAFE and community colleges, through to niche industry providers, traditional trade apprenticeships and high-level technical education. It also includes labour market programs and regulatory tickets for access to casual work for young people.

Australia has long vested responsibility for educational integrity in an industry bureaucracy that has thwarted attempts to focus on education and its levers, including academic governance, award integrity and the need for pedagogy and curriculum. This despite all the evidence of change in the labour market that demands technical professions and trades be equipped with the intellectual frameworks to navigate that change.

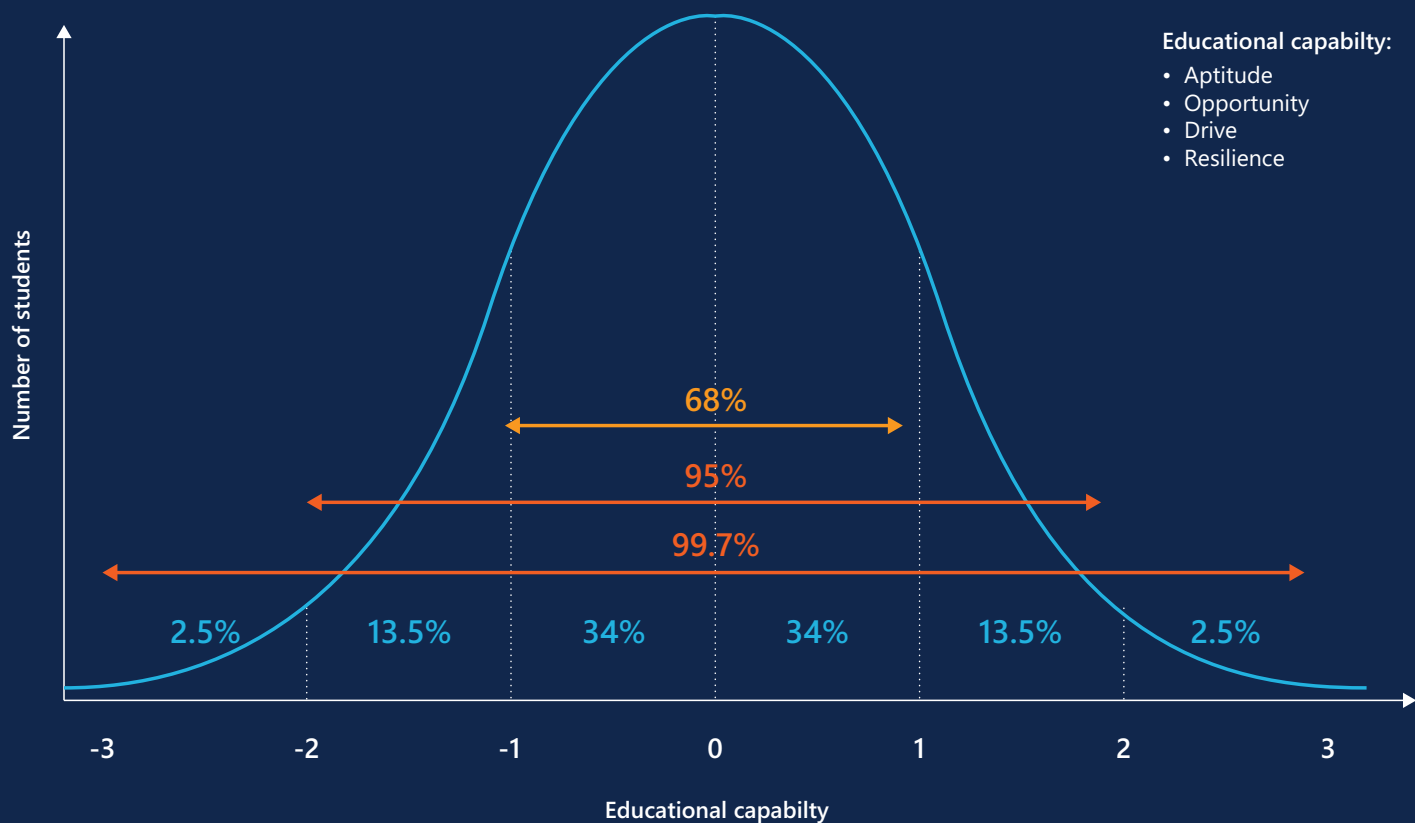
There has been a huge growth in the participation of young people in university, from bachelor-level study up. Until the 1990s, universities were an elite opportunity focussed on the top 15 per cent of school achievers (the top two standard deviations in Figure 5). They were considerably more socially monochrome as a result, given the social gradient evident in school leaving results.

While two-thirds of all students sit within one standard deviation of the middle of the normal curve, government policy has never designed an education explicitly for this largest group. Rather, as university participation has tripled in the past 40 years, the education designed for this group has involved watering down versions of the research-intensive universities appropriate, indeed designed, for a previous generation. This is us, the people who happen now to run universities and education bureaucracies. The research-education model of universities has now nearly reached the middle of the normal curve of students, delivering one model of teaching to a much more diverse student cohort.

³ Norton, A, 2015, *Universities use students' tuition fees to boost research rather than teaching, data shows* <http://theconversation.com/universities-use-students-tuition-fees-to-boost-research-rather-than-teaching-data-shows-49813>

Figure 5 | Educational capability distribution

Educational capability is distributed normally.



The contemporary challenge is to provide great training, credentialing and educational service at an affordable price to the great middle of the post-school education population. The current system grants a near monopoly to public universities for this population. We are designing an education system for most of its participants based on the needs of the outlying 15 per cent and the experiences of their parents. Other options do exist.

Australia has private universities and non-universities, many of which succeed in attracting students. Two private universities top QILT and non-university higher education providers (NUHEPs) attract students despite punitive Higher Education Loan Program (HELP) arrangements. Some public universities offer sub-bachelor qualifications, some of which offer pathways to bachelor-level study and provide a real alternative opportunity for graduates in the labour market.

VET providers, including TAFEs, offer a range of trade and diploma courses, which overlap with the university sub-bachelor offerings, all categorised together in the messy levels 5 & 6 of the Australian Qualifications Framework. If these could be re-energised and some serious conversation and design work undertaken across sectors, there could be greater and more exciting choice for post-school learners – including, but not limited to, bachelor studies at a public university.

This would require effort from education providers, and the change to the regulatory structures. A good place to start would be the regulatory structures picked out by former Minister Birmingham that are also apparently in Shadow Minister Plibersek's sights.

Greater diversity requires changed regulatory structures

Current provider categories allow the operation of university colleges, but only as a transition category to the granting of full university status, that is, an institution undertaking at least three disciplines of research, inextricably linking research and teaching. These provider categories are fundamental as the determining factor for everything from credentialing rights to access to the Commonwealth Supported Places grant system.

We suggest that any review of provider categories allows a new category of university that acknowledges full higher educational merit in teaching, at lower price and with less substantial debt imposts on students who choose this pathway than for the current NUHEP students.

Australia could also elevate both VET diploma and higher education associate degree qualifications, making them invaluable life-course education qualifications that are central to labour market outcomes. This would assist NUHEP, TAFE and vocational education to compete in a teaching-rich provider market.

Beyond a new category that legitimates providers focussed on quality teaching, the educational basis of vocational education needs modernisation. For many years vocational education policy has eschewed the need for academic frameworks, the bedrock of which are curriculum and teacher training.

For VET and TAFE to be considered equal but different to university education and teaching, the quality and importance of

teaching needs to be reinvigorated. In VET and TAFE, we suggest reinvigorating teaching by requiring curriculum, higher teaching standards and greater evidence of pedagogy and academic rigour, which will level the playing field with higher education. It would also lift the regulatory entry barriers to VET provider registration, no bad thing in itself.

To achieve this, we suggest more properly conceiving of training packages as assessment packages; this maintains a standards-based and industry-driven approach, augmented by requirements for curriculum, pedagogy and professional teacher and trainer requirements contributing to academic excellence. We need to recognise the educational as well as the industrial value of technical education.

One advantage of this proposal is that none of it depends on the ambitious steps of overturning the current federal architecture of tertiary education, including:

- a single national qualifications structure,
- separate national regulatory bodies and standards,
- Commonwealth-state funding responsibilities, and
- transparent and accessible consumer information platforms.

We would rather prioritise the policy task of putting the right incentives and rewards into tertiary education so that our institutions can better serve students, and through them the community and economy.

Changes to funding streams could follow regulatory change

Sooner or later we will need to face the issue of separating the cost of research from the funding of teaching places. This will direct research funding to research activity in a more transparent way. It will also reduce the cost of teaching at bachelor level, through the process of more accurate job definition and valuing great teachers within universities for teaching.

A reinvigorated VET, sub-bachelor and teaching-only higher education sector would be enhanced, not diminished by job design, funding and reward systems oriented to greater teaching and graduate outcomes. A more transparent teaching-funding structure on top of a more even playing field between categories of providers will force the pace on this change.

A substantial part of the consequently freed-up funding should be added to competitive funding for research. This would drive excellence in research-competitive universities without depending to the same extent on cross-subsidisation from teaching students (both domestic and international). This would lead to change in the distribution of research funding across institutions and internally, between departments and faculties. The discussions we had with vice chancellors caution against assuming it would eliminate research activity from less research-intensive universities.

As we noted, a rate limiter for reform along these lines is that no-one wants universities that do valuable teaching and stimulate local economies to be damaged. Even though the current system is not designed around what they do, it still offers them a second-best, not a worst, case.

So, we also advocate holding a proportion of freed-up funding for research in regional universities that contribute to local and regional economic and social outcomes. This could be pursued through a separate, quarantined fund for place-based research and engagement. It could also be useful to consider the comparative benefit and cost of other expenditures in the innovation system, including the research and development tax incentive.

Universities could then choose which funds they would compete for, based on their strengths and missions, unimpeded by the need to stretch resources and capacity to meet centralised regulatory requirements. Other post-school providers could compete on a more level footing, based on their own strengths. And students could choose the pathway that best suits them.

Conclusion

In this paper we have argued that, to achieve the oft-stated goal of diversity in our post-school education system, the right place to start is to review the distortions created by our regulatory structures and then to review our funding systems. Once we have freed up regulation and aligned funding to different priorities, post-school education providers will enjoy a much greater opportunity to focus on what they are good at and what their communities want of them.

Some commentators suggest starting with questions of governance and Commonwealth-state stewardship of the post-school system. We conclude that the place to start is redesigning the system for regulation and funding partly because the issues thus confronted are so important. Only then can we sensibly address questions of system governance and stewardship.

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