

Australian Higher Education: Current Issues and Policy Directions

David Gamage

David Gamage is associate professor and course director of the Master of Leadership and Management in Education Program, Faculty of Education, University of Newcastle, Australia. Address: School of Education, University of Newcastle, Newcastle, Australia.

Today, the Australian higher education system has become an industry earning billions of dollars, almost half of its recurrent expenditure. Massive restructuring since 1989 and corporatization of university governance have enabled the universities to be more enterprising. Now, most universities seek overseas students and market programs both on- and off-campus.

Financing the University Sector

After 1974, universities enjoyed full public funding, until the 1990s—when it declined rapidly. In 1997, out of \$8.2 billion of university revenue, federal grants comprised only 53.8 percent. In 1998, this figure declined to 50.8 percent, forcing institutions to increase student fees and higher education contribution scheme (HECS). The gradual withdrawal of government support has made it difficult for universities to balance their budgets.

University Governance

Elected heads of departments and deans have given way to appointments by vice-chancellors with a limited consultative process. Following business practices, the vice-chancellors assert the roles of chief executive officers with combined titles of vice-chancellor and president, together with wide-ranging powers to assume control. Similarly, deans and heads are given more authority to direct and manage corporate functions making them accountable to the center.

New Approaches to Quality Assurance

Between 1992 and 1995, the federal government provided a prize pool of \$198 million for ensuring quality. A Committee for Quality Assurance in Higher Education ranked the universities based on evaluations of the quality of services and achievements. In spite of doubts about the process and incentives, all universities participated due to in-built punitive effects. The low rankings in the league tables had significant commercial implications.

Even after the softening of the ranking system, some newer universities found it difficult to compete. The three-year exercise significantly depressed the morale of these institutions. But, due to complacency and lack of accountability, some universities badly needed this shake-up. A specific aim was for the universities to incorporate quality assurance mechanisms into their internal structures. Most universities, such as the University of Newcastle, adopted

triennial self-evaluation of different units followed by external reviews on a rolling basis. Later, a Course Experience Questionnaire and Student Evaluation of the Subjects were adopted as measures to ensure institutional effectiveness and customer satisfaction.

Market Orientation and Overseas Students

With the discontinuance of subsidized overseas student places and the introduction of HECS for local students, Australia decided to develop higher education as an industry for earning foreign exchange and job creation. Universities were strongly encouraged to seek overseas students as independent sources of income. With this shift, a fair number of private colleges were also established to profit from the new opportunities.

These colleges started offering programs in English and computing to prepare overseas students to enter universities, helping them with entry visas and part-time jobs. By 1999, these private colleges were able to enroll 158,000 students, earning \$3 billion. Now, it is alleged that some colleges are exploiting the students with poor-quality programs and functioning as brokers for backdoor entry to Australia, which has forced government to crack down on unscrupulous colleges.

By 1996, the universities had attracted 70,000 overseas students, and in 1997, 1998, and 1999 the commencing student numbers rose to 33,428, 37,292 and 45,012, respectively—amounting to 115,732 for the three years. With the continuing students, the total could be over 150,000, and when added to the private college figure, the total would have been around 308,000. Thus today, Australian higher education is an industry earning billions of dollars in foreign exchange from overseas students and marketing full-fee programs and HECS-liable programs to local students.

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The entire university community protested vehemently against the government cuts on funding. But, institutions had no alternative but to charge tuition fees for master's programs and establish some full-fee undergraduate places.

According to a cabinet submission by the minister leaked to the opposition and the press in mid-1999, it appears that the government is committed to further reforms—including deregulation of the university system—to facilitate a healthier growth. The minister believes that reforms will promote wealth and job creation, social inclusion, cultural dynamism, and intellectual creativity. The reforms include: abolition of current controls on student places in universities, along with empowerment of students to select where they want to study; a voucher system enabling a student to undertake his or her studies at an accredited public or private institution; tuition fees to be set by the relevant institution, along with provision for equity; student loans on market rates to be paid through the taxation system, on an income-contingent basis; federal funding for institutions that meet government policy and fiscal objectives; and new quality assurance arrangements facilitating the entry of new players to provide quality higher education services.

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In addition, the government proposes the following industrial reforms: provision for nonunion representation in future industrial bargaining, reducing award standards, provision for bargaining at faculty and administrative unit level, simplified redundancy provisions, reduction of the number and size of institutional governing bodies, three semester academic years and full-year academic workloads, reduction of the size of interview panels, promotions to positions rather than on merit, and annual authorization of union subscriptions giving the employee an opportunity to stop subscriptions.

In order to impose the above agenda, the minister announced the offer of funding up to \$259 million, for a 2 percent annual salary increase for the academics—on very strict guidelines, to be observed by the institutions. However, so far the universities and unions have resisted the radical restructuring of work places. But, the universities have found it very difficult to fund salary increases, resulting in industrial action in a number of universities.

When the minister's submission to the cabinet was leaked, pressure was brought on the government to change policy directions. In response to repeated questions by the opposition, the prime minister assured the Parliament that he would not implement the reforms relating to student voucher system and market rates of interest on student loans. As the minister did not withdraw the reform package, on further pressure, the prime minister assured the nation that so long as he was in office, those two measures would not be implemented. However, the possibility of such reforms after a general election was not ruled out.

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Conclusion

Participatory systems of governance have given way to more corporatized models, with centralized administrations and stronger leadership demanding accountability. Higher education has become an export-oriented and market-driven industry. The industrial harmony of the 1980s and 1990s has given way to more frequent industrial disputes and industrial action. However, the new environment has forced universities to be more innovative and entrepreneurial in earning their revenue in the struggle for survival. ■

Higher Education Inventory Published

Higher Education: A Worldwide Inventory of Centers and Programs, by Philip G. Altbach and David Engberg, has been published by the Center for International Higher Education. This 341-page volume includes an analytic chapter on higher education programs and trends worldwide by Philip G. Altbach and an inventory of listings concerning 187 institutes, programs, and centers worldwide. The listings include complete addresses, e-mail information and related data, and the names of staff members and publications. The book also includes a worldwide compilation of journals in the field of higher education. This book was made possible through grants from the International Education Research Foundation of Los Angeles, and the Ford Foundation. A commercial edition of this book will be published by Oryx Press in Phoenix, Arizona, USA. The Center will also put all of the information on-line after one year. Limited numbers of copies may be obtained from the Center. There is no charge for institutions in developing countries. Others should provide payment of \$15 to defray postal and handling charges. The book itself is free. Requests must be *prepaid*, and checks made out to Boston College in U.S. dollars must be included with any orders.