

***Driving Innovation, Fairness and Excellence
in Australian Higher Education***

Submission by Swinburne University of Technology

July 2016

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Swinburne University of Technology is pleased to make this submission in response to the options paper *Driving Innovation, Fairness and Excellence in Australian Higher Education*.

Swinburne supports the government's overarching objectives for higher education policy settings to drive innovation and areas of specialisation across our universities, to embed fairness and equitable access to university for all Australians, to ensure global excellence amongst our universities, and to be financially sustainable and affordable into the long term.

The policy settings we determine must ensure that current and prospective students have access to affordable, quality education. This principle is the touchstone that we must use as the basis for any reform, remembering that the decisions we take will have lasting consequences for Australia's future.

Proposal to cut CGS funding by 20%

Swinburne again notes its strong opposition to the proposal to reduce Commonwealth Grant Scheme funding by 20%.

While we appreciate the open and consultative approach that the Australian Government is now taking in considering the future higher education policy settings, we are disappointed that the 20% funding cut remains on the table.

The Australian system of higher education has been remarkably strong and resilient over time, underpinned by long-term stability in funding settings.

No credible case has been advanced that would justify placing the success of Australian higher education at risk through a 20% funding cut.

Support for demand-driven system

Underpinned by stable financing arrangements, the Australian higher education system has enjoyed a long period of growth under successive governments. The most recent systemic reforms to the Australian higher education system introduced following the [Bradley Review](#) in 2009 have made it possible for thousands more students to attend university. These reforms, centred around the decision to introduce demand-driven funding for undergraduate places, have justifiably enjoyed strong bipartisan support.

As a consequence of these reforms, the Commonwealth Government no longer decides how many Commonwealth-supported places each university can offer and in which broad discipline groupings they must be offered. Instead, the number of

places is determined by decisions each university makes in response to actual student demand.

To be successful in this new market, universities are able to differentiate their offerings and compete for students on the basis of the outcomes they are able to deliver for students. Students enrol with the provider of their choice, without unnecessary layers of bureaucratic intervention governing variable patterns of student load.

The experience to date, including that described by the comprehensive [Kemp-Norton Review](#) delivered just two years ago in April 2014, shows that the demand driven system is working to achieve its objectives to improve access to university-level study for a wider range of capable Australian students. For the reasons outlined in that review, we strongly support the continuation of the demand-driven system for domestic undergraduate study.

Review of funding clusters

Swinburne supports a review of the current cluster funding arrangements which see some students making a much greater contribution to the cost of their university study than others. As previous reviews have noted, there is no consistent principle guiding the levels of public and private contributions to university study, and proposals advanced in the previous Parliament did not seek to address this issue.

We agree that the current funding bands do not reflect the relative cost of delivering different types of courses, resulting in significant cross subsidies occurring across courses. We support the Government's proposal to work with Universities Australia and the higher education sector to investigate the relative cost of delivery of higher education. This work could usefully draw on the outcomes of the [Lomax-Smith Review](#) in 2011, which most recently undertook an investigation of funding relativities.

Sub-bachelor degrees

We support the expansion of the demand driven system beyond bachelor courses into sub bachelor courses. This will provide traditionally underrepresented groups with the opportunity to access and pursue higher education outcomes.

For working, regional or mature aged students returning to study, this would allow them to realise their aspirations incrementally and will encourage greater participation in higher education.

We would welcome increased investment by the government in sub-bachelor university places to support students for whom commencing a diploma-level qualification or associate degree is perceived as more attainable than a full degree program.

Flagship courses and innovation

Swinburne does not support the proposal that universities be permitted to develop “flagship” courses which would allow higher fees to be charged for certain courses that are “founded on the basis of excellence and innovation”.

In this respect, we strongly disagree with the underlying assumption made in the options paper that there is a “one size fits all approach” within Australian higher education – a view which is typically advanced by a small number of universities that are among the least innovative in their approach.

As the [Kemp-Norton Review](#) found in 2014:

“The demand driven system has prompted not just innovation in how universities deliver their own courses, but in the broader organisational structures they use to deliver higher education. It has contributed to some organisational restructures and, perhaps more than expected, it has encouraged collaboration between public universities and other institutions. The result is new types of higher education provision and an expansion in alternative methods of delivery.”

As Swinburne itself has demonstrated through the creation of Swinburne Online, there are ample opportunities for Australian universities to pursue innovative forms of delivery within current policy settings. This can be achieved without creating a new two-tiered system of pricing that would immediately diminish confidence in those undergraduate courses not considered eligible for flagship status.

Supporting universities’ regional presence – including through online study options

We urge the government to continue to support and encourage innovative methods of higher education teaching to advance quality regional education. Education policy should be mindful of the need to provide equitable access and opportunities to regional areas.

Through its flexible online offerings through Swinburne Online and Open Universities Australia, Swinburne has been able to offer high-quality online tertiary education nationally to people who are not able to access on campus learning.

This includes those already in the workforce, women, students from regional and remote areas and those from low socio-economic backgrounds. In choosing to enrol online, many students indicate that they have family or employment responsibilities that would prevent regular on-campus attendance. These considerations are especially relevant in regional and remote areas.

The benefits of offering a highly connected and supported online offering enables regional students to remain in their communities whilst interacting with peers and

academics nationally and internationally. In fields such as education, this translates into graduates who can meet employment shortages in rural areas.

Given the emphasis on technology and innovation required in our future workforce, universities must innovate to deliver learning that gives graduates a competitive edge and delivers productivity gains to future employers. Online learning has the potential to create graduates with the ability to connect, learn and innovate in a digital and global environment.

Changes to HELP

Swinburne supports consideration of changes to repayment arrangements for HELP to ensure that the system remains sustainable over the long term. This could include changes to repayment thresholds and rates and the introduction of a renewable lifetime loan limit.

With respect to the proposal to change HELP repayment arrangements through the introduction of a household income test, we are concerned that this may cause unintended adverse consequences for prospective female students. In particular, such a measure would disproportionately impact mothers looking to undertake study in order to return to the workforce who already face many disadvantages.

Greater coherence in tertiary education policy

Swinburne has previously called on the Australian Government to seek to address policy settings for tertiary education in a joined up and coherent way.

There continues to be a deeply entrenched set of practices that treat higher education policy and vocational education policy as separate. Through the current review of VET FEE-HELP policy settings and this review of higher education policy, the Australian Government has an opportunity to start to bring consideration of these policy settings together.

As the CEO of the Business Council of Australia, Jennifer Westacott, [wrote](#) in December 2014:

“Tertiary education is a continuum that starts with vocational education in the senior years of secondary school and extends into the VET and higher education sectors.

Access to tertiary education is the ultimate tool to enable people to become independent and prosperous. It affords them better living standards and equips them with skills to contribute to the economy and the community...

Over the last 40 years, governments have expanded access and increased their investment. But this has not been accompanied by a systematic rethink of how we should design our tertiary system to best deliver to the majority.

This is partly because VET and higher education operate as silos. There are exceptions, and institutions that work across both sectors are growing. But they are still the minority...

A broad tertiary system should be a quality and fit-for-purpose model that delivers skills development to people across all stages of their lives — ranging from literacy and numeracy through to higher-level research qualifications.”

Swinburne repeats its call for a more comprehensive examination of the links between higher education and vocational education and for the creation of a durable set of policies that support access and equity throughout Australian tertiary education.

It is time to consider the contributions made by VET and higher education and to examine the policy settings that are most appropriate to support quality outcomes in both sectors.

Professor Linda Kristjanson
Vice-Chancellor and President
25 July 2016