

**Speech to Business-Higher Education Round Table Symposium: Putting
Reforms into Practice**

Affordable and Accessible Higher Education

25th November 2003

Often, in forums where the future of higher education is discussed, there is a certain detachment from the matter at hand. Decisions are being made elsewhere, and driven by imperatives other than those we might think are important. Our discussions are interesting, and useful in helping us to process and respond to the issues, but they don't always have an impact on the outcomes.

Today's discussion, coming as it does while the Higher Education reform package is being debated in the Senate, provides us with a valuable opportunity to analyse the implications of this policy package at a point where our ideas can make a difference.

The timing also gives a special edge to considerations of how we might respond. There is no doubt that whatever the fate of the legislation, universities – and the tertiary education sector more generally – face a huge challenge. Competition and pressure to specialize is with us, not just because of policy framed by government, but because of global competition for students and staff from new as well as traditional providers. Never has education been more central to economic and social development; and as change accelerates and the drivers of demand shift, institutions must be

nimble and adaptive.

My focus today is on students. How Australia meets the learning needs of students, how we ensure that education is both affordable and accessible, will help to define our future. In examining these issues, I want to go beyond the headline issues of user pays and the implications of student debt; and talk about why this issue matters.

I speak from the perspective of a University, concerned about institutional viability as well as the impact of increased costs on participation and the quality of the student experience. I realise that this is different from Government, which is focussed on provision of higher education services. But these perspectives need to be reconciled.

Access and affordability is a matter of social justice, but also of ensuring that we don't waste resources – both human and institutional. Therefore, it is and must continue to be a responsibility for Government. Devolving responsibility for equity initiatives to universities is not the answer. As Federal Sex Discrimination Commissioner Pru Goward said recently, universities do not have the money to be politically correct. They now rely on private sector funds for more than half their revenue. However, they still carry the expectations of a community that believes – quite reasonably - that universities are public sector institutions dedicated to the public good; and therefore carry special responsibility for remaining accountable and accessible to all. And if universities don't meet these expectations, why should they expect to attract public funds?

We need a coordinated approach on the part of Government to address this contradiction – universities as businesses, or as social infrastructure – that has not been forthcoming to date.

This is reflected in the fact that we don't have any consensus about the split between public and private benefit, and the extent to which students should be expected to fund their own education. Divisions in opinion are largely along ideological lines.

Australia is not alone in this regard. Berglind Ásgeirsdóttir, the Deputy Secretary General of the OECD, last month reminded participants in a conference on lifelong learning that many societies now have institutionalized arrangements for financing investment in new technology – arrangements in financial and capital markets, and in tax policy, for example . However, when it comes to investment in knowledge, skills and competencies, we hardly have a *plan*, let alone a long-term policy framework to ensure equitable access to financial resources for learning.

Australia does have a system of co-financing this investment through the HECS scheme in higher education. But we have to think *beyond* how far we can stretch the limits of user-pays – which is a fundamentally short-term solution – to working out how we get the right mix of financing initiatives to ensure a sustainable revenue stream to support quality higher education provision.

This might include incentives to invest in education for individuals and organizations, and mechanisms to support participation. Personal wealth should not be a factor in determining access.

In this respect, the sector has expressed strong concern about the proposed reforms. Recent research undertaken by Craig McInnis (University of Melbourne) tells us that many students are working longer hours to support their study. This can detract from the quality of learning and even their capacity to successfully complete their course.

75% of RMIT's F/T students working; 30% more than 15 hours.

Staff in our student counselling service tell us that while students will seek help for a range of reasons, the vast majority refer to financial stress underlying or exacerbating their situation.

The package as currently framed does not provide a solution to these issues.

Another reason for us to focus on access and affordability relates to the need to increase participation in higher education.

The growth in new technologies and the emergence of knowledge-based industries is transforming the workplace. The International Labour Organisation predicts that while 80% of those already in the workforce will still be there in 10 years time, during that time 80% of existing technology will be replaced. Clearly, we will not be able to meet the need to refresh our skills and knowledge without affordable and equitable access to lifelong

learning opportunities.

Working lives will last longer. By 2040, about 35% of our population will be over 55, compared with 15% in 1961. Whereas people born two hundred years ago could expect a working life of 25 years, someone born in 2000 can look forward to 55 years in the workforce. The trend is already apparent: in 1921, the median age of those in the workforce was 23, in 2021 it is predicted to be 40.

So while their parents might have experienced one or two career changes, but today's graduates can expect to experience eight or more. Some forecasters predict that 80% of the jobs that will be around in twenty years have not even been invented yet. Therefore, future demand will be driven by the need to refresh careers, as well as specific knowledge and skills.

But just as important is social capital – the glue that holds our society together. Ensuring access to higher education is a means of safeguarding the values, understanding and capabilities that are the hallmarks of a civil society, where relationships are characterized by trust and principles of fairness. In the coming century, the gap between the information-rich and the information-poor will widen, with significant consequences for social cohesion.

But these factors are largely ignored in the framework established by the Government's Intergenerational Report, published last year. It predicts that investment in higher education will fall on the basis of a decline in the school-leaver demographic. A narrow approach to drivers of demand will

mask the real level of unmet demand within our community – and the costs will not be apparent until it is too late.

Therefore, it's important that we take a long term approach to developing the knowledge and skills base our population needs.

While the global knowledge workforce is increasingly mobile, we can't rely on immigration to plug the gaps. If we don't have the knowledge infrastructure to attract skilled immigrants – the infrastructure that allows people to form knowledge networks and spin off business – then they will go elsewhere. We will be caught in a vicious circle: without investment in knowledge, Australia can't expect to attract and retain knowledge workers. Nice beaches and golf courses won't be enough.

Other countries are recognising the importance of investing in the knowledge and skills base of their people. Last week, for example, the National Science Foundation in the US released a report calling for more undergraduate scholarships in science and engineering and a raft of investment initiatives to increase participation. Their argument? That America faces a major skills deficit in these areas in 20 years. It was prompted in part by an awareness that 17% workers in US with a bachelor's degree in Science/engineering were from other countries, as were 29% with postgrad quals – but that immigration is trending down (partly as a result of a downturn in STE industries, partly as a result of post-Sept11 visa restrictions), necessitating a strategy for investment in people.

Australia is yet to develop such a strategy. The reforms to higher education

proposed by the Government will hopefully deliver improvements in terms of increased funding and improved performance through greater competition— but they are no substitute for a long-term plan.